SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

FOR ANNUAL AND TRANSITION REPORTS PURSUANT
TO SECTIONS 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

(Mark One)
[X]ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended December 31, 2001

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	39-1434669
(State or other jurisdiction of incorporation or organization)	(IRS Employer Identification No.)
570 West College Avenue, York, Pennsylvania	17405-0872
(Address of principal executive offices)	(Zip code)

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

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

Title of each class	Name of each exchange on which registered
None	Not applicable

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

Common Stock, par value $.01 per share
(Title of class)

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes [X] No [ ]

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

As of February 22, 2002, the aggregate market value of voting common stock held by non-affiliates of the registrant, based upon the last reported sale price for the registrant's Common Stock on the Nasdaq National Market on such date was $2,597,726,348 (calculated by excluding shares owned beneficially by directors and executive officers as a group from total outstanding shares solely for the purpose of this response).

The number of shares of the registrant's Common Stock outstanding as of the close of business on February 22, 2002 was 77,924,485.

DOCUMENTS INCORPORATED BY REFERENCE

Certain portions of the registrant's annual report to shareholders for fiscal year 2001 (the "2001 Annual Report to Shareholders") are incorporated by reference into Parts I and II of this Annual Report on Form 10-K to the extent provided herein. Certain portions of the definitive Proxy Statement of DENTSPLY International Inc. to be used in connection with the 2002 Annual Meeting of Stockholders (the "Proxy Statement") are incorporated by reference into Part III of this Annual Report on Form 10-K to the extent provided herein. Except as specifically incorporated by reference herein, neither the 2001 Annual Report to Shareholders nor the Proxy Statement is to be deemed filed as part of this Annual Report on Form 10-K.

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PART I

Item 1. Business

Certain statements made by the Company, including without limitation, statements containing the words "plans", "anticipates", "believes", "expects", or words of similar import may be deemed to be forward-looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements involve risks and uncertainties which may materially affect the Company's business and prospects.

History and Overview

DENTSPLY International Inc. ("DENTSPLY" or the "Company"), a Delaware corporation, was created by a merger of Dentsply International Inc. ("Old Dentsply") and GENDEX Corporation in 1993 (the "Merger"). Old Dentsply, founded in 1899, was a manufacturer and distributor of artificial teeth, dental equipment, and dental consumable products. GENDEX, founded in 1983, was a manufacturer of dental x-ray equipment and handpieces. Today, DENTSPLY is the world's largest designer, developer, manufacturer and marketer of a broad range of products for the dental market. The Company's worldwide headquarters and executive offices are located in York, Pennsylvania.

The Company operates in a single reporting segment as a designer, manufacturer and distributor of dental products in two principal categories: dental consumables and small equipment, and large equipment. Sales of the Company's dental products accounted for approximately 97% of DENTSPLY's consolidated sales for the year ended December 31, 2001.

The Company conducts its business in over 120 foreign countries, principally through its foreign subsidiaries. DENTSPLY has a long-established presence in Canada and in the European market, particularly in Germany, Switzerland, France, Italy and the United Kingdom. Through its recent acquisitions the Company has also gained access to other European markets in the Netherlands and Austria. The Company also has a significant market presence in Central and South America including Brazil, Mexico, Argentina, Colombia, and Chile; in South Africa; and in the Pacific Rim including Australia, New Zealand, China (including Hong Kong), Thailand, India, Philippines, Taiwan, Korea, Vietnam, Indonesia and Japan. DENTSPLY has also established marketing activities in Moscow, Russia to serve the countries of the former Soviet Union.

For 2001, 2000 and 1999, the Company's sales outside the United States, including export sales, accounted for approximately 49%, 42% and 45%, respectively, of consolidated net sales. The information about the Company's United States and foreign sales and assets set forth in Note 4 of the Notes to Consolidated Financial Statements in the Company's 2001 Annual Report to Shareholders is incorporated herein by reference.

As a result of the Company's significant international operations, DENTSPLY is subject to fluctuations in exchange rates of various foreign currencies and other risks associated with foreign trade. The impact of currency fluctuations in any given period can be favorable or unfavorable. The impact of foreign currency fluctuations of European currencies on operating income is partially offset by sales in the United States of products sourced from plants and third party suppliers located overseas, principally in Germany and Switzerland. The Company enters into forward foreign exchange contracts to selectively hedge assets, liabilities and purchases denominated in foreign currencies. The information regarding foreign exchange risk management activities set forth in Note 14 of the Notes to Consolidated Financial Statements in the Company's 2001 Annual Report to Shareholders is incorporated herein by reference.

DENTSPLY believes that the dental products industry is experiencing substantial consolidation with respect to both product manufacturing and distribution, although it continues to be fragmented. Between January 1999 and December 2001, DENTSPLY completed nine acquisitions (five in 2000 and four in 2001). The activity in 2001 includes three significant acquisitions. In January 2001, the Company acquired the outstanding shares of Friadent GmbH ("Friadent"), a global dental implant manufacturer and marketer headquartered in Mannheim, Germany. In March 2001, the Company acquired the dental injectible anaesthetic assets of AstraZeneca ("AZ Assets"). In October 2001, the Company acquired the Degussa Dental Group ("Degussa Dental"), a manufacturer and seller of dental products, including precious metal alloys, ceramics, dental laboratory equipment and chairside products headquartered in Hanau, Germany. Information about these acquisitions and the other acquisition and divestiture

activities is set forth in Note 3 of the Notes to Consolidated Financial Statements in the Company's 2001 Annual Report to Shareholders and is incorporated herein by reference. These acquisitions are intended to supplement DENTSPLY's core growth and assure ongoing expansion of its business. In addition, acquisitions continue to provide DENTSPLY with new technologies and additional product breadth.

The acquisitions made by DENTSPLY involve a substantial degree of risk. They are expected to result in benefits to DENTSPLY, including expanding the products and services offered by DENTSPLY to its customers and potential customers and enhancing DENTSPLY's presence in the European and Japanese market for dental products. Achieving the benefits of the acquisitions, however, will depend on a number of factors, including the integration of the operations and personnel of DENTSPLY and the acquired companies in a timely and efficient manner. The integration will be complicated by the need to integrate geographically diverse operations. In general, DENTSPLY cannot offer any assurances that it can successfully integrate or realize the anticipated benefits of the acquisitions. Failure to do so could result in the loss of key personnel and have a material adverse effect on the acquired businesses and DENTSPLY's financial condition and operating results. In addition, the attention and effort devoted to the integration of the acquired companies could significantly divert management's attention from other important tasks and could seriously harm DENTSPLY. Other risks include unanticipated expenses related to technology integration, difficulties in maintaining uniform standards, controls, procedures and policies, the impairment of relationships with employees and customers as a result of any integration of new management personnel and potential unknown liabilities associated with acquired businesses.

Certain provisions of DENTSPLY's Certificate of Incorporation and By-laws and of Delaware law could have the effect of making it difficult for a third party to acquire control of DENTSPLY. Such provisions include the division of the Board of Directors of DENTSPLY into three classes, with the three-year term of a class expiring each year, a provision allowing the Board of Directors to issue preferred stock having rights senior to those of the common stock and certain procedural requirements which make it difficult for stockholders to amend DENTSPLY's By-laws and which preclude stockholders from calling special meetings of stockholders. In addition, members of DENTSPLY's management and participants in its Employee Stock Ownership Plan collectively own approximately 11% of the outstanding common stock of DENTSPLY, which may discourage a third party from attempting to acquire control of DENTSPLY in a transaction that is opposed by DENTSPLY's management and employees.

Principal Products

The worldwide professional dental industry encompasses the diagnosis, treatment and prevention of disease and ailments of the teeth, gums and supporting bone. DENTSPLY's two principal dental product lines are consumables and small equipment and large equipment. These products are produced by the Company in the United States and internationally and are distributed throughout the world under some of the most well-established brand names and trademarks in the industry, including ACUCAM(R), ANKYLOS(R), AQUASIL(TM), CAULK(R), CAVITRON(R), CERAMCO(R), CERCON(R), DELTON(R), DENOPTIX(TM), DENTSPLY(R), DETREY(R), ELEPHANT(R), ESTHET.X(R), FRIALIT(R), GAC ORTHOWORKS(TM), GENDEX(R), IN-OVATION(TM), MAILLEFER(R), MIDWEST(R), NUPRO(R), PEPGEN P-15(TM), PROFILE(R), RINN(R), R&R(R), SANI-TIP(R), THERMAFIL(R) and TRUBYTE(R).

Consumables and Small Equipment. Consumable products consist of dental sundries used in dental offices in the treatment of patients and in dental laboratories in the preparation of dental appliances. DENTSPLY's products in this category include dental prosthetics, including artificial teeth, endodontic (root canal) instruments and materials, dental injectable anesthetics, prophylaxis paste, dental sealants, implants, impression materials, restorative materials, precious metal dental alloys, dental ceramics, crown and bridge materials, tooth whiteners, topical fluoride, cutting instruments, dental needles, and orthodontic appliances and accessories. The Company manufactures thousands of different consumable and laboratory products marketed under more than a hundred brand names. Small equipment products consist of various durable goods used in dental offices for treatment of patients as well as in dental laboratories. DENTSPLY's small equipment products include high and low speed handpieces, intraoral lighting systems, ultrasonic scalers and polishers, air abrasion systems and porcelain furnaces. Sales of consumable and small equipment accounted for approximately 90% of the Company's consolidated sales for the year ended December 31, 2001.

Large Equipment. Large equipment products consist of various durable goods used in dental offices primarily for the diagnosis of patients . DENTSPLY's large equipment product lines include conventional and digital dental x-ray systems and related support equipment and accessories, intraoral cameras, computer imaging systems and related software. Sales of large equipment accounted for approximately 7% of the Company's consolidated sales for the year ended December 31, 2001.

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Markets, Sales and Distribution

DENTSPLY distributes approximately 50-60% of its dental products through domestic and foreign distributors, dealers and importers. However, certain highly technical products such as precious metal dental alloys, dental ceramics, crown and bridge porcelain products, endodontic instruments and materials, orthodontic appliances, implants and bone substitute and grafting materials are sold directly to the dental laboratory or dentist in some markets. Sales to two customers, both distributors, accounted for 11% and 9%, respectively, of consolidated net sales in 2001.

The information about the Company's foreign and domestic operations and export sales set forth in Note 4 of the Notes to Consolidated Financial Statements in the Company's 2001 Annual Report to Shareholders is incorporated herein by reference.

Although much of its sales are made to distributors, dealers, and importers, DENTSPLY focuses its marketing efforts on the dentists, dental hygienists, dental assistants, dental laboratories and dental schools who are the end users of its products. As part of this end-user "pull through" marketing approach, DENTSPLY employs approximately 1,700 highly trained, product-specific sales and technical staff to provide comprehensive marketing and service tailored to the particular sales and technical support requirements of the dealers and the end users. The Company conducts extensive distributor and end-user marketing programs and trains laboratory technicians and dentists in the proper use of its products, introducing them to the latest technological developments at its Educational Centers located in key dental markets. The Company also maintains ongoing relationships with various dental associations and recognized worldwide opinion leaders in the dental field.

DENTSPLY believes that demand in a given geographic market for dental procedures and products varies according to the stage of social, economic and technical development that the market has attained. Geographic markets for DENTSPLY's dental products can be categorized into the following three stages of development:

The United States, Canada, Western Europe, the United Kingdom, Japan, and Australia are highly developed markets that demand the most advanced dental procedures and products and have the highest level of expenditure on dental care. In these markets, the focus of dental care is increasingly upon preventive care and specialized dentistry. In addition to basic procedures such as the excavation and filling of cavities and tooth extraction and denture replacement, dental professionals perform an increasing volume of preventive and cosmetic procedures. These markets require varied and complex dental products, utilize sophisticated diagnostic and imaging equipment, and demand high levels of attention to protection against infection and patient cross-contamination.

In certain countries in Central America, South America and the Pacific Rim, dental care is often limited to the excavation and filling of cavities and other restorative techniques, reflecting more modest per capita expenditures for dental care. These markets demand diverse products such as high and low speed handpieces, restorative compounds, finishing devices and custom restorative devices.

In the People's Republic of China, India, Eastern Europe, the countries of the former Soviet Union, and other developing countries, dental ailments are treated primarily through tooth extraction and denture replacement. These procedures require basic surgical instruments, artificial teeth for dentures and bridgework, and anchoring devices such as posts.

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

The following trends support the Company's confidence in its industry growth outlook:

- Increasing worldwide population - Population growth continues throughout the world.

- Growth of the population 65 or older - The percentage of the United States and European population over age 65 is expected to nearly double by the year 2030. In addition to having significant needs for dental care, the elderly are well positioned to pay for the required procedures since they control sizable amounts of discretionary income.

- Natural teeth are being retained longer - Individuals with natural teeth are much more likely to visit a dentist in a given year than those without any natural teeth remaining.

- The changing dental practice in developed countries - Dentistry in developed countries has been transformed from a profession primarily dealing with pain, infections and tooth decay to one with increased emphasis on preventive care and cosmetic dentistry. DENTSPLY's product lines are well positioned to provide the new sophisticated solutions that these advanced procedures require.

- Per capita and discretionary incomes are increasing in emerging nations - As personal incomes continue to rise in the emerging nations of the Pacific Rim and Latin America, healthcare, including dental services, are a growing priority.

- Growth in the field of aesthetic dentistry - Those among the aging "Baby Boomer" population are not only keeping their natural teeth longer but are interested in looking their best, increasing the demand for tooth whitening and other aesthetic procedures.

Product Development

Technological innovation and successful product development are critical to strengthening the Company's prominent position in worldwide dental markets, maintaining its leadership positions in product categories where it has a high market share, and increasing market share in product categories where gains are possible. While many of DENTSPLY's innovations represent sequential improvements of existing products, the Company also continues to successfully launch products that represent fundamental change. Its research centers throughout the world employ approximately 330 scientists, Ph.D.'s, engineers and technicians dedicated to research and product development. Approximately $28.3 million, $20.4 million, and $18.5 million, respectively, was internally invested by the Company in connection with the development of new products and in the improvement of existing products in the years ended 2001, 2000 and 1999, respectively. There can be no assurance that DENTSPLY will be able to continue to develop innovative products and that regulatory approval of any new products will be obtained, or that if such approvals are obtained, such products will be accepted in the marketplace.

Operating and Technical Expertise

DENTSPLY believes that its manufacturing capabilities are important to its success. The Company continues to automate its global manufacturing operations in order to remain a low cost producer.

The manufacture of the Company's products requires substantial and varied technical expertise. Complex materials technology and processes are necessary to manufacture the Company's products.

DENTSPLY has completed or has in progress a number of key initiatives around the world that are focused on helping the Company improve its operating margins.

- The Company's primary operational initiative over the next 1-2 years will be to successfully integrate the recent acquisitions.

- The Company has recently acquired a plant site outside Chicago, where it will establish a major dental anesthetic filling plant. The Company believes that the plant will be operational, which includes the FDA validation of the manufacturing practices, at the end of 2003.

- The Company is creating a Corporate Quality and Purchasing initiative to help ensure product quality and reduce purchased product costs throughout the organization.

- The Company has centralized its warehousing and distribution in North America and Europe. This will minimize both inventory levels and multiple customer shipments. It also helps improve product forecasting and service to our customers.

- In the first quarter of 2001, DENTSPLY reorganized certain functions within Europe, Brazil and North America with the objective of consolidating duplicative functions and improving efficiencies within these regions. These measures have resulted in the elimination of approximately 310 administrative and manufacturing positions in Brazil and Germany. Most aspects of this plan have been completed.

- The Company continues to focus on improving its manufacturing processes at several of its manufacturing locations, providing improved flexibility. This will allow them to continue to reduce inventories and improve response times to changes in customer demand.

- DENTSPLY has also completed its North American Shared Service initiative focused on the consolidation and centralization of the financial accounting support functions.

- DENTSPLY is making significant improvements in Information Technology as well. The new manufacturing and financial accounting system was implemented in 1999 and provides the Company with common software systems for nearly all of its locations around the world excluding Friadent and Degussa Dental. Worldwide telecommunications are currently a key focus, as we continue to drive efficiencies.

Financing

DENTSPLY's long-term debt at December 31, 2001 was $723.5 million and the related long-term debt to total capitalization was 54.3%. DENTSPLY may incur additional debt in the future, including the funding of additional acquisitions; however, the Company's primary focus in 2002 is the integration of its already competed acquisitions and the repayment of debt. DENTSPLY's ability to make payments on its indebtedness, and to fund its operations depends on its future performance and financial results, which, to a certain extent, are subject to general economic, financial, competitive, regulatory and other factors that are beyond its control. There can be no assurance that DENTSPLY's business will generate sufficient cash flow from operations in the future to service its debt and operate its business.

DENTSPLY's existing borrowing documentation contains a number of covenants and financial ratios which it is required to satisfy. Any breach of any such covenants or restrictions would result in a default under the existing borrowing documentation that would permit the lenders to declare all borrowings under such documentation to be immediately due and payable and, through cross default provisions, would entitle DENTSPLY's other lenders to accelerate their loans. DENTSPLY may not be able to meet its obligations under its outstanding indebtedness in the event that any cross default provision is triggered.

Additional information about DENTSPLY's working capital, liquidity and capital resources is incorporated herein by reference to the material under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 2001 Annual Report to Shareholders.

Competition

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

The size and number of the Company's competitors vary by product line and from region to region. There are many companies that produce some, but not all, of the same types of products as those produced by the Company. Certain of DENTSPLY's competitors may have greater resources than does the Company in certain of its product offerings.

The worldwide market for dental supplies and equipment is highly competitive. There can be no assurance that the Company will successfully identify new product opportunities and develop and market new products successfully, or that new products and technologies introduced by competitors will not render the Company's products obsolete or noncompetitive.

Regulation

The Company's products are subject to regulation by, among other governmental entities, the United States Food and Drug Administration (the "FDA"). In general, if a dental "device" is subject to FDA regulation, compliance with the FDA's requirements constitutes compliance with corresponding state regulations. In order to ensure that dental products distributed for human use in the United States are safe and effective, the FDA regulates the introduction, manufacture, advertising, labeling, packaging, marketing and distribution of, and record-keeping for, such products.

Dental devices of the types sold by DENTSPLY are generally classified by the FDA into a category that renders them subject only to general controls that apply to all medical devices, including regulations regarding alteration, misbranding, notification, record-keeping and good manufacturing practices. DENTSPLY's facilities are subject to periodic inspection by the FDA to monitor DENTSPLY's compliance with these regulations. There can be no assurance that the FDA will not raise compliance concerns. Failure to satisfy FDA requirements can result in FDA enforcement actions, including product seizure, injunction and/or criminal or civil proceedings. In the European Union, DENTSPLY's products are subject to the medical devices laws of the various member states which are based on a Directive of the European Commission. Such laws generally regulate the safety of the products in a similar way to the FDA regulations. DENTSPLY products in Europe bear the CE sign showing that such products adhere to the European regulations.

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All dental amalgam filling materials, including those manufactured and sold by DENTSPLY, contain mercury. Various groups have alleged that dental amalgam containing mercury is harmful to human health and have actively lobbied state and federal lawmakers and regulators to pass laws or adopt regulatory changes restricting the use, or requiring a warning against alleged potential risks, of dental amalgams. The FDA's Dental Devices Classification Panel, the National Institutes of Health and the United States Public Health Service have each indicated that no direct hazard to humans from exposure to dental amalgams has been demonstrated. If the FDA were to reclassify dental mercury and amalgam filling materials as classes of products requiring FDA pre-market approval, there can be no assurance that the required approval would be obtained or that the FDA would permit the continued sale of amalgam filling materials pending its determination. In Europe, in particular in Scandinavia and Germany, the contents of mercury in amalgam filling materials had been the subject of public discussion. As a consequence, in 1994 the German health authorities asked suppliers of dental amalgam to amend, as a precautionary measure, the instructions for use for amalgam filling materials. DENTSPLY adhered to this request. DENTSPLY also manufactures and sells non-amalgam dental filling materials that do not contain mercury.

The introduction and sale of dental products of the types produced by the Company are also subject to government regulation in the various foreign countries in which they are produced or sold. Some of these regulatory requirements are more stringent than those applicable in the United States. DENTSPLY believes that it is in substantial compliance with the foreign regulatory requirements that are applicable to its products and manufacturing operations.

Sources and Supply of Raw Materials

All of the raw materials used by the Company in the manufacture of its products are purchased from various suppliers and are available from numerous sources. No single supplier, except for the supplier of precious metal raw materials, accounts for a significant percentage of DENTSPLY's raw material requirements. There are alternative suppliers of precious metal raw materials readily available.

Intellectual Property

Products manufactured by DENTSPLY are sold primarily under its own trademarks and trade names. DENTSPLY also owns and maintains more than 1,000 patents throughout the world and is licensed under a small number of patents owned by others.

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

Employees

As of December 31, 2001, the Company and its subsidiaries employed approximately 7,500 employees. A small percentage of the Company's employees are represented by labor unions. Hourly workers at the Company's Ransom & Randolph facility in Maumee, Ohio are represented by Local No. 12 of the International Union, United Automobile, Aerospace and Agriculture Implement Workers of America under a collective bargaining agreement that expires on January 31, 2004. Hourly workers at the Company's Midwest Dental Products facility in Des Plaines, Illinois are represented by Tool & Die Makers Local 113 of the International Association of Machinists and Aerospace Workers under a collective bargaining agreement that expires on June 1, 2003. In addition, approximately 20% of Degussa Dental Germany's workforce is represented by labor unions. The Company believes that its relationship with its employees is good.

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

Environmental Matters

DENTSPLY believes that its operations comply in all material respects with applicable environmental laws and regulations. Maintaining this level of compliance has not had, and is not

expected to have, a material effect on the Company's capital expenditures or on its business.

Item 2. Properties

The following is a list of DENTSPLY's principal manufacturing locations as of December31, 2001:

Location	Function	Leased or Owned
United States:		
Los Angeles, California	Manufacture and distribution of investment casting products	Leased
Yucaipa , California,	Manufacture and distribution of dental laboratory products and dental ceramics	Owned
Lakewood, Colorado	Manufacture and distribution of bone grafting materials and hydroxylapatite plasma-feed coating materials	Leased
Milford, Delaware	Manufacture of consumable dental products	Owned
Des Plaines, Illinois	Manufacture and assembly of dental handpieces and components and dental x-ray equipment	Leased
Elgin, Illinois	Manufacture of dental x-ray film holders, film mounts and accessories	Owned
Franklin Park, Illinois	Manufacture and distribution of needles and needle-related products, primarily for the dental profession	Owned
Columbus, Indiana	Manufacture and distribution of orthodontic accessories	Leased
Maumee, Ohio	Manufacture and distribution of investment casting products	Owned
York, Pennsylvania	Manufacture and distribution of artificial teeth and other dental laboratory products; corporate headquarters	Owned
York, Pennsylvania	Manufacture of small dental equipment and preventive dental products	Owned
Johnson City, Tennessee	Manufacture and distribution of endodontic instruments and materials	Leased
Foreign:		
Catanduva, Brazil	Manufacture and distribution of consumable dental products	Leased
Petropolis, Brazil	Manufacture and distribution of artificial teeth and consumable dental products	Owned

Location	Function	Leased or Owned
Petropolis, Brazil	Manufacture and distribution of dental anesthetics	Owned
Tianjin, China	Manufacture and distribution of dental products	Leased
Plymouth, England	Manufacture of dental hand instruments	Leased
Bohmte, Germany	Manufacture and distribution of dental laboratory products	Owned
Hanau, Germany	Manufacture and distribution of precious metal dental alloys, dental ceramics and dental implant products	Owned
Konstanz, Germany	Manufacture and distribution of consumable dental products	Owned
Mannheim, Germany	Manufacture and distribution of dental implant products	Owned
Munich, Germany	Manufacture and distribution of endodontic instruments and materials	Owned
Rosbach, Germany	Manufacture and distribution of dental ceramics	Owned
New Delhi, India	Manufacture and distribution of dental products	Leased
Milan, Italy	Manufacture and distribution of dental x-ray equipment	Leased
Nasu, Japan	Manufacture and distribution of precious metal dental alloys, consumable dental products and orthodontic products	Owned
Hoorn, Netherlands	Manufacture and distribution of precious metal dental alloys and dental ceramics	Owned
Las Piedras, Puerto Rico	Manufacture of crown and bridge materials	Owned
Ballaigues, Switzerland	Manufacture and distribution of endodontic instruments	Owned
Ballaigues, Switzerland	Manufacture and distribution of plastic components and packaging material	Owned
Le Creux, Switzerland	Manufacture and distribution of endodontic instruments	Owned

In addition, the Company maintains sales and distribution offices at certain of its foreign and domestic manufacturing facilities, as well as at various other United States and international locations. Of the various sites around the world that are used exclusively for sales and distribution, all but three are leased. The Company also maintains sales offices in various countries throughout the world.

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

Item 3. Legal Proceedings

DENTSPLY and its subsidiaries are from time to time parties to lawsuits arising out of their respective operations. The Company believes that pending litigation to which DENTSPLY is a party will not have a material adverse effect upon its consolidated financial position or results of operations.

In June 1995, the Antitrust Division of the United States Department of Justice initiated an antitrust investigation regarding the policies and conduct undertaken by the Company's Trubyte Division with respect to the distribution of artificial teeth and related products. 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 violate the antitrust laws and seeking an order for the Company to discontinue its practices. Three follow on private class action suits on behalf of dentists, laboratories and denture patients in seventeen states, respectively, who purchased Trubyte teeth or products containing Trubyte teeth, were filed and transferred to the U.S. District Court in Wilmington, Delaware. The class action filed on behalf of the dentists has been dismissed by the plaintiffs. The private party suits seek damages in an unspecified amount. The Company filed motions for summary judgment in all of the above cases, which were argued to the court in December 2000. The Court denied the Company's motion for summary judgment regarding the Department of Justice action, granted the motion on the lack of standing of the patient class action and granted the motion on the lack of standing of the laboratory class action to pursue damage claims. In an attempt to avoid the effect of the Court's ruling, the attorneys for the laboratory class action filed a new complaint naming DENTSPLY and its dealers as co-conspirators with respect to DENTSPLY's distribution policy. The Company filed a motion to dismiss this re-filed complaint. The Court again granted DENTSPLY's motion on the lack of standing of the laboratory class action to pursue damage claims. The attorneys for the patient class have also filed a new action to avoid the effect of the Court's ruling. This action is filed in the U.S. District Court in Delaware. Four private party class actions on behalf of indirect purchasers were filed in California state court. These cases are based on allegations similar to those in the Department of Justice case. In response to the Company's motion, these cases have been consolidated in one Judicial District in Los Angeles. It is the Company's position that the conduct and activities of the Trubyte division do not violate the antitrust laws.

Item 4. Submission of Matters to a Vote of Security Holders

Not applicable.

Executive Officers of the Registrant

The following table sets forth certain information regarding the executive officers of the Company as of February 28, 2001.

Name	Age	Position
John C. Miles II	60	Chairman of the Board and Chief Executive Officer
Gerald K. Kunkle Jr.	55	President and Chief Operating Officer
William R. Jellison	44	Senior Vice President and Chief Financial Officer
Rudolf Lehner	44	Senior Vice President
J. Henrik Roos	44	Senior Vice President
W. William Weston	54	Senior Vice President
Thomas L. Whiting	59	Senior Vice President
Brian M. Addison	48	Vice President, Secretary and General Counsel

John C. Miles II was named Chairman of the Board effective May 20, 1998. Prior thereto, he was Vice Chairman of the Board since January 1, 1997. He was named Chief Executive Officer of the Company upon the resignation of Burton C. Borgelt from that position on January 1, 1996. Prior to that he was President and Chief Operating Officer and a director of the Company since the Merger. Prior to that he served as President and Chief Operating Officer and a director of Old Dentsply commencing in January 1990.

Gerald K. Kunkle Jr. was named President and Chief Operating Officer effective January 1, 1997. Prior thereto, Mr. Kunkle served as President of Johnson and Johnson's Vistakon Division, a manufacturer and marketer of contact lenses, from January 1994 and, from early 1992 until January 1994, was President of Johnson and Johnson Orthopaedics, Inc., a manufacturer of orthopaedic implants, fracture management products and trauma devices.

William R. Jellison was named Senior Vice President and Chief Financial Officer of the Company effective April 20, 1998. Prior to that time, Mr. Jellison held the position of Vice President of Finance, Treasurer and Corporate Controller for Donnelly Corporation of Holland, Michigan since 1994. From 1991 to 1994, Mr. Jellison was Donnelly's Vice President of Financial Operations, Treasurer and Corporate Controller. Prior to that, he served one year as Treasurer and Corporate Controller and in other financial management positions for Donnelly. Mr. Jellison is a Certified Management Accountant.

Rudolf Lehner was named Senior Vice President effective December 12, 2001 and oversees the following operating units: Degussa Dental Germany, DENTSPLY Austria, DENTSPLY Sankin, Detech, Elephant Dental and Friadent. Prior to that time, Mr Lehner was Chief Operating Officer of Degussa Dental since mid-2000. From 1999 to mid 2000, he had the overall responsibilities for Sales & Marketing at Degussa Dental. From 1994 to 1999, Mr. Lehner held the position of Chief Executive Officer of Elephant Dental. From 1990 to 1994, he had overall responsibility for international activities at Degussa Dental. Prior to that, Mr Lehner held various positions at Degussa Dental and its parent, Degussa AG, since starting in 1984.

J. Henrik Roos was named Senior Vice President effective June 1, 1999 and oversees the following operating units: Ceramco, CeraMed, DENTSPLY Argentina, DENTSPLY Brazil, DENTSPLY Canada, DENTSPLY Latin America, DENTSPLY Mexico, DENTSPLY Professional, Ransom & Randolph and Trubyte. Prior to his Senior Vice President appointment, Mr. Roos served as Vice President and General Manager of the Company's Gendex division from June 1995 to June 1999. Prior to that, he served as President of Gendex European operations in Frankfurt, Germany since joining the Company in August 1993.

W. William Weston was named Senior Vice President effective January 1, 1996 and oversees the following operating units: DeDent, DENTSPLY Asia, DENTSPLY Australia, DENTSPLY France, DENTSPLY Italy, DENTSPLY Russia, DENTSPLY United Kingdom, L.D. Caulk, and Middle East/Africa. Prior to his Senior Vice President appointment, Mr. Weston served as the Vice President and General Manager of DENTSPLY's DeDent Operations in Europe from October 1, 1990 to January 1, 1996. Prior to that time he was Pharmaceutical Director for Pfizer in Germany.

Thomas L. Whiting was named Senior Vice President effective in early 1995 and oversees the following operating units: DENTSPLY Anesthetics, ESP LLC, GAC, Gendex, Maillefer, MPL, Rinn, Tulsa Dental Products and Vereinigte Dentalwerke ("VDW"). Prior to his Senior Vice President appointment, Mr. Whiting was Vice President and General Manager of the Company's L.D. Caulk Division from March 1987 to early 1995. Prior to that time, Mr. Whiting held management positions with Deseret Medical and the Parker-Davis Company.

Brian M. Addison has been Vice President, Secretary and General Counsel of the Company since January 1, 1998. Prior to that he was Assistant Secretary and Corporate Counsel since December 1994. From August 1994 to December 1994 he was a Partner at the Harrisburg, Pennsylvania law firm of McNees, Wallace & Nurick. Prior to that he was Senior Counsel at Hershey Foods Corporation.

PART II

Item 5. Market for Registrant's Common Equity and Related Stockholder Matters

The information set forth under the caption "Supplemental Stock Information" in the Company's 2001 Annual Report to Shareholders is incorporated herein by reference.

Item 6. Selected Financial Data

The information set forth under the caption "Selected Financial Data" in the Company's 2001 Annual Report to Shareholders is incorporated herein by reference.

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

The information set forth under the caption "Management's Discussion and Analysis of Financial Condition and Results of Operations" in the Company's 2001 Annual Report to Shareholders is incorporated herein by reference.

Item 7A. Quantitative and Qualitative Disclosure About Market Risk

The information set forth under the caption "Quantitative and Qualitative Disclosure About Market Risk" in the Company's 2001 Annual Report to Shareholders is incorporated herein by reference.

Item 8. Financial Statements and Supplementary Data

The information set forth under the captions "Management's Financial Responsibility," "Report of Independent Accountants," "Consolidated Statements of Income," "Consolidated Balance Sheets," "Consolidated Statements of Stockholders' Equity," "Consolidated Statements of Cash Flows," and "Notes to Consolidated Financial Statements" in the Company's 2001 Annual Report to Shareholders is incorporated herein by reference. The Report of KPMG, LLP for the Company's fiscal year ended December 31, 1999 is attached hereto as Exhibit 99.1.

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

Previously reported.

PART III

Item 10. Directors and Executive Officers of the Registrant

The information (i) set forth under the caption "Executive Officers of the Registrant" in Part I of this Annual Report on Form 10-K and (ii) set forth under the captions "Election of Directors," "Section 16(a) Beneficial Ownership Reporting Compliance" and "Other Matters" in the 2002 Proxy Statement is incorporated herein by reference.

Item 11. Executive Compensation

The information set forth under the caption "Executive Compensation" in the 2002 Proxy Statement is incorporated herein by reference.

Item 12. Security Ownership of Certain Beneficial Owners and Management

The information set forth under the caption "Security Ownership of Certain Beneficial Owners and Management" in the 2002 Proxy Statement is incorporated herein by reference.

Item 13. Certain Relationships and Related Transactions

The information set forth under the subcaptions "Compensation of Directors", "Human Resources Committee Interlocks and Insider Participation" and "Human Resources Committee Report on Executive Compensation" in the 2002 Proxy Statement is incorporated herein by reference.

PART IV

Item 14. Exhibits, Financial Statement Schedules and Reports on Form 8-K

(a) Documents filed as part of this Report

1 Financial Statements

The following consolidated financial statements of the Company set forth in the Company's 2001 Annual Report to Shareholders are incorporated herein by reference:

Report of Independent Accountants
Consolidated Statements of Income - Years ended December 31, 2001, 2000 and 1999
Consolidated Balance Sheets - December 31, 2001 and 2000
Consolidated Statements of Stockholders' Equity - Years ended December 31, 2001, 2000 and 1999
Consolidated Statements of Cash Flows - Years ended December 31, 2001, 2000 and 1999
Notes to Consolidated Financial Statements

2 Financial Statement Schedules

The following financial statement schedule and the Report of Independent Accountants on Financial Statement Schedule are filed as part of this Annual Report on Form 10-K:

Report of Independent Accountants on Financial Statement Schedule
Schedule II -- Valuation and Qualifying Accounts.

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

3 Exhibits. The Exhibits listed below are filed or incorporated by reference as part of this Annual Report on Form 10-K.

Exhibit Number		Description
3.1		Restated Certificate of Incorporation (1)
3.2		By-Laws, as amended
4.1.	(a)	Commercial Paper Issuing and paying Agency Agreement dated as of August 12,1999 between the Company and the Chase Manhattan Bank (13)
	(b)	Commercial Paper Dealer Agreement dated as of August 12, 1999 between the Company and Goldman, Sachs & Co. (13)
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	(b)	First Amendment to Note Agreement dated September 1, 2001 between the Company and Prudential Insurance Company of America.
4.3	(a)	5-Year Competitive Advance, Revolving Credit and Guaranty Agreements dated as of May 25, 2001 among the Company, the guarantors named therein, the banks named therein, the ABN Amro Bank, N.V as Administrative Agent, and First Union National Bank and Harris Trust and Savings Bank as Documentation Agents as Documentation Agents.
	(b)	364-Day Competitive Advance, Revolving Credit and Guaranty Agreements dated as of May 25, 2001 among the Company, the guarantors named therein, the banks named therein, the ABN Amro Bank, N.V as Administrative Agent, and First Union National Bank and Harris Trust and Savings Bank as Documentation Agents as Documentation Agents.
4.4		Private placement note dated December 28, 2001 between the Company and Massachusetts Mutual Life Insurance Company and Nationwide Life Insurance Company.
4.5	(a)	Eurobonds Agency Agreement dated December 13, 2001 between the Company and Citibank, N.A.
	(b)	Eurobond Subscription Agreement dated December 11, 2001 between the Company and Credit Suisse First Boston (Europe) Limited, UBS AG, ABN AMRO Bank N.V., First Union Securities, Inc.; and Tokyo-Mitsubishi International plc (the Managers).
	(c)	Pages 4 through 16 of the Company's Eurobond Offering Circular dated December 11, 2001.
10.1		1992 Stock Option Plan adopted May 26, 1992 (4)
10.2		1993 Stock Option Plan (2)
10.3		1998 Stock Option Plan (1)
10.4		Nonstatutory Stock Option Agreement between the Company and Burton C. Borgelt (3)
10.5	(a)	Employee Stock Ownership Plan as amended effective as of December 1, 1982 restated as of January 1, 1991 (7)
	(b)	Second amendment to the DENTSPLY Employee Stock Ownership Plan (10)
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10.18	Written Description of Year 2001 Incentive Compensation Plan.
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(c)	AZ Trade Marks License Agreement, dated January 18, 2001 between AstraZenaca AB and Maillefer Instruments Holdings, S.A. (14)
10.21	Degussa Dental Group Sale and Purchase Agreement, dated May 28/29, 2001 between Degussa AG (Seller) and Dentsply Hanau GmbH & Co. KG, Dentsply Research & Development Corporation and Dentsply EU S.a.r.l. (Purchasers and subsidiaries of the Company). (15)
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13	Pages 9 through 44 of the

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21.1	Subsidiaries of the Company
23.1	Consent of Independent Accountants - PricewaterhouseCoopers LLP
23.2	Consent of Independent Auditors - KPMG LLP
99.1	Audit Report of KPMG LLP

* Management contract or compensatory plan.

(1) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 333-56093).

(2) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 33-71792).

(3) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 33-79094).

(4) Incorporated by reference to exhibit included in the Company's Registration Statement on Form S-8 (No. 33-52616).

(5) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended March 31, 1993, File No. 0-16211.

(6) Incorporated by reference to exhibit included in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 1993, File No. 0-16211.

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(15) Incorporated by reference to exhibit included in the Company's Quarterly Report on Form 10-Q for the period ended June 30, 2001, File No. 0-16211.

Loan Documents

The Company and certain of its subsidiaries have entered into various loan and credit agreements and issued various promissory notes and guaranties of such notes, listed below, the aggregate principal amount of which is less than 10% of its assets on a consolidated basis. The Company has not filed copies of such documents but undertakes to provide copies thereof to the Securities and Exchange Commission supplementally upon request.

(1) Master Grid Note dated November 4, 1996 executed in favor of The Chase Manhattan Bank in connection with a line of credit up to $20,000,000 between the Company and The Chase Manhattan Bank.

(2) Agreement dated February 26, 1999 between Midland Bank PLC and Dentsply Limited for GBP 3,000,000 overdraft and $2,500,000 foreign exchange facility.

(3) Agreement dated June 21, 2001 in the principal amount of $6,000,000 between Dentsply Research and Development Corp, Hong Kong Branch and Bank of Tokyo Mitsubishi.

(4) Form of "comfort letters" to various foreign commercial lending institutions having a lending relationship with one or more of the Company's international subsidiaries.

(b) Reports on Form 8-K

On October 17, 2001, the Company filed a Form 8-K, under item 2 reporting that it had acquired the Degussa Dental Group. On December 17, 2001, Amendment 1 to this Form 8-K was filed on Form 8-K/A. This amendment contained the financial information required under this form.

On November 23, 2001, the Company furnished a Form 8-K, under item 9. This report (which is not deemed filed under the Securities Exchange Act) disclosed financial information related to the recently-acquired Degussa Dental Group that was provided in a preliminary offering circular to prospective purchasers in connection with the marketing of the Company's planned Eurobond Offering.

Report of Independent Accountants on Financial Statement Schedule

To the Board of Directors of
DENTSPLY International Inc.

Our audits of the consolidated financial statements referred to in our report dated January 21, 2002, except for Note 16, as to which the date is January 31, 2002 appearing in the 2001 Annual Report to Shareholders of DENTSPLY International Inc. (which report and consolidated financial statements are incorporated by reference in this Annual Report on Form 10-K) also included an audit of the financial statement schedule listed in Item 14(a)(2) of the Form 10-K. In our opinion, this financial statement schedule presents fairly, in all material respects, the information set forth therein when read in conjunction with the related consolidated financial statements.

PricewaterhouseCoopers LLP

Philadelphia, PA
March 28, 2002

SCHEDULE II

DENTSPLY INTERNATIONAL INC.
VALUATION AND QUALIFYING ACCOUNTS
FOR THE THREE YEARS ENDED DECEMBER 31, 2001

Description	Balance at Beginning of Period	Additions Charged (Credited) To Costs And Expenses	Additions Charged to Other Accounts	Write-offs Net of Recoveries	Translation Adjustment	Balance at End of Period
			(in thousands)			
Allowance for doubtful accounts:						
For Year Ended December 31,						
1999	$ 7,891	$ 1,418	$ 541 (a)	$ (1,294)	$ (404)	$ 8,152
2000	8,152	397	34 (b)	(2,078)	(145)	6,360
2001	6,360	2,844	5,289 (c)	(1,638)	(253)	12,602
Allowance for trade discounts:						
For Year Ended December 31,						
1999	1,954	2,061	-	(1,538)	(183)	2,294
2000	2,294	2,169	-	(1,732)	(102)	2,629
2001	2,629	555	-	(1,194)	(124)	1,866
Inventory valuation reserves:						
For Year Ended December 31,						
1999	12,315	2,116	2,679 (d)	(1,209)	(537)	15,364
2000	15,364	5,584	52 (e)	(5,741)	(317)	14,942
2001	14,942	4,369	8,409 (f)	(2,996)	(365)	24,359

(a) Includes $62 from acquisition of Vereinigte Dentalwerke and $479 for the New Image restructuring.
(b) Includes $34 from acquisition of Midwest Orthodontic Manufacturing.
(c) Includes $389 from acquisition of Friadent and $4,900 from acquisition of Degussa Dental.
(d) Includes $2,679 from acquisition of Vereinigte Dentalwerke and Herpo Productos Dentarios.
(e) Includes $52 from acquisition of Midwest Orthodontic Manufacturing.
(f) Includes $1,580 from acquisition of Friadent and $6,829 from acquisition of Degussa Dental.

SIGNATURES

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

DENTSPLY INTERNATIONAL INC.

By:/s/ John C. Miles II

John C. Miles II
Chairman of the Board
and Chief Executive Officer

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

/s/ John C. Miles II --- John C. Miles II Chairman of the Board and Chief Executive Officer and a Director (Principal Executive Officer)	March 28, 2002 --- Date
/s/ Gerald K. Kunkle, Jr. --- Gerald K. Kunkle, Jr. President and Chief Operating Officer and a Director	March 28, 2002 --- Date
/s/ William R. Jellison --- William R. Jellison Senior Vice President and Chief Financial Officer (Principal Financial and Accounting Officer)	March 28, 2002 --- Date
/s/ Dr. Michael C. Alfano --- Dr. Michael C. Alfano Director	March 28, 2002 --- Date
/s/ Burton C. Borgelt --- Burton C. Borgelt Director	March 28, 2002 --- Date

/s/ Douglas K. Chapman — March 28, 2002
Douglas K. Chapman — Date
Director

/s/ Paula H. Cholmondeley — March 28, 2002
Paula H. Cholmondeley — Date
Director

/s/ Michael J. Coleman — March 28, 2002
Michael J. Coleman — Date
Director

/s/ C. Frederick Fetterolf — March 28, 2002
C. Frederick Fetterolf — Date
Director

/s/ William F. Hecht — March 28, 2002
William F. Hecht — Date
Director

/s/ Leslie A. Jones — March 28, 2002
Leslie A. Jones — Date
Director

/s/ Betty Jane Scheihing — March 28, 2002
Betty Jane Scheihing — Date
Director

/s/Edgar H. Schollmaier — March 28, 2002
Edgar H. Schollmaier — Date
Director

/s/ W. Keith Smith — March 28, 2002
W. Keith Smith — Date
Director

EXHIBIT INDEX

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	(b)	364-Day Competitive Advance, Revolving Credit and Guaranty Agreements dated as of May 25, 2001 among the Company, the guarantors named therein, the banks named therein, the ABN Amro Bank, N.V as Administrative Agent, and First Union National Bank and Harris Trust and Savings Bank as Documentation Agents as Documentation Agents.	D5
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4.5	(a)	Eurobonds Agency Agreement dated December 13, 2001 between the Company and Citibank, N.A.	D7
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EXHIBIT 3.2

DENTSPLY International Inc.

BY LAWS

D2

D2

BY-LAWS INDEX

D2

BY-LAWS

OF

DENTSPLY INTERNATIONAL INC.

(Formerly GENDEX Corporation)

ARTICLE I. STOCKHOLDERS' MEETINGS

SECTION 1. Annual Meetings. The Board of Directors shall, within seventy-five (75) days following the close of the corporation's fiscal year, establish a date, time and place for the annual meeting of the stockholders, for the purpose of electing directors and for the transaction of such other business as may properly come before the meeting.

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

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

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

SECTION 5. Fixing of Record Date.

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

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

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

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

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

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

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

SECTION 11. Advance Notice of Stockholder-Proposed Business at Annual Meetings. At an annual meeting of stockholders, only such business shall be conducted as shall have been properly brought before the meeting. To be properly brought before an annual meeting, business must be either (a) specified in the notice of meeting (or any supplement thereto) given by or at the direction of the Board, (b) otherwise properly brought before the meeting by or at the direction of the Board, or (c) otherwise properly brought before the meeting by a stockholder. In addition to any other applicable requirements for business to be properly brought before an annual meeting by a stockholder, the stockholder must have given timely notice thereof in writing to the Secretary of the corporation. To be timely, a stockholder's notice must be delivered to or mailed and received at the principal executive offices of the corporation, not less than sixty (60) days prior to the date that the materials regarding the prior years annual meeting were mailed to stockholders. A stockholder's notice to the Secretary shall set forth as to each matter the stockholder proposes to bring before the annual meeting (i) a brief description of the business desired to be brought before the annual meeting and the reasons for conducting such business at the annual meeting, (ii) the name and record address of the stockholder proposing such business, (iii) the class and number of shares of the corporation which are beneficially owned by the stockholder, and (iv) any material interest of the stockholder in such business.

Notwithstanding anything in these By-Laws to the contrary, no business shall be conducted at the annual meeting except in accordance with the procedures set forth in this Section 11.

The chairman of an annual meeting shall, if the facts warrant, determine that business was not properly brought before the meeting in accordance with the provisions of this Section 11, and if he should so determine, he shall so declare to the meeting and any such business not properly brought before the meeting shall not be transacted.

SECTION 12. Procedure for Nomination of Directors. Only persons nominated in accordance with the following procedures shall be eligible for election as directors, except as may otherwise be provided by the terms of the corporation's Certificate of Incorporation with respect to the rights of holders of any class or series of preferred stock to elect directors under specified circumstances. Nominations of persons for election to the Board of Directors of the corporation may be made at a meeting of stockholders by or at the direction of the Board of Directors, by any nominating committee or person appointed by the Board, or by any stockholder of the corporation entitled to vote for election of directors at the meeting who complies with the notice procedures set forth in this Section 12. Nominations other than those made by or at the direction of the Board of Directors or any nominating committee or person appointed by the Board shall be made pursuant to timely notice in proper written form to the Secretary of the corporation. To be timely, a stockholder's request to nominate a person for director, together with the written consent of such person to serve as a director, must be received by the Secretary of the corporation not less than sixty (60) days prior to the date fixed for the meeting. To be in proper written form, such stockholder's notice shall set forth in writing: (a) as to each person whom the stockholder proposes to nominate for election or re-election as a director (i) the name, age, business address and residence address for such person, (ii) the principal occupation or employment of such person, (iii) the class and number of shares of stock of the corporation which are beneficially owned by such person and (iv) such other information relating to such person as is required to be disclosed in solicitations of proxies for election of directors, or as otherwise required, in each case pursuant to Regulation 14A under the Securities Exchange Act of 1934, as amended; and (b) as to the stockholder giving the notice (i) the name and address, as they appear on the corporation's books, of such stockholder and (ii) the class and number of shares of stock of the corporation which are beneficially owned by such stockholder. The corporation may require any proposed nominee to furnish such other information as may reasonably be required by the corporation to determine the eligibility of such proposed nominee to serve as a director of the corporation. No persons shall be eligible for election as a director of the corporation unless nominated in accordance with the procedures set forth herein and in the corporation's Certificate of Incorporation. The chairman of any meeting shall, if the facts so warrant, determine that a nomination was not made in accordance with the procedures prescribed by the corporation's Certificate of Incorporation and By-Laws, and if he should so determine, he shall so declare to the meeting and the defective nomination(s) shall be disregarded.

ARTICLE II. BOARD OF DIRECTORS

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

SECTION 2. Number of Directors, Tenure and Qualifications. The number of members of the Board of Directors shall be not less than three (3) nor more than thirteen (13), as determined from time to time by the Board of Directors. The directors need not be stockholders of the corporation. The directors shall be divided into three (3) classes, designated Class I, Class II and Class III. Each class shall consist, as nearly as may be possible, of one-third (1/3) of the total number of directors constituting the entire Board of Directors. Effective immediately upon the filing of the Certificate of Incorporation of the corporation dated June 11, 1993, Class I directors shall be elected for a term ending upon the next succeeding annual meeting of stockholders, Class II directors for a term ending upon the second succeeding annual meeting of stockholders and Class III directors for a term ending upon the third succeeding annual meeting of stockholders. At each succeeding annual meeting of stockholders beginning with the annual meeting immediately succeeding the filing of the Certificate of Incorporation, successors to the class of directors whose term expires at such annual meeting shall be elected for a three-year term. If the number of directors is changed, any increase or decrease shall be apportioned among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a vacancy resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case will a decrease in the number of directors shorten the term of any incumbent director. A director shall hold office until the annual meeting for the year in which his or her term expires and until his or her successor shall be elected and shall qualify, subject, however, to prior death, resignation, incapacitation or removal from office, and except as otherwise required by law. In the event such election is not held at the annual meeting of stockholders, it shall be held at any adjournment thereof or a special meeting.

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

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

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

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

SECTION 7. Manner of Acting. The act of the majority of the directors then in office shall be the act of the Board of Directors, Unless the act of a greater number is required by these By-laws or by law.

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

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

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

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

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

SECTION 13. Informal Action. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken at any meeting of the Board of Directors or any committee thereof if prior to such action a written consent thereto is signed by all members of the Board or of the committee, as the case may be, and such written consent is filed with the minutes of the proceedings of the Board or the committee.

SECTION 14. Conferences. Members of the Board of Directors or any committee designated by the Board may participate in a meeting of such Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section14 shall constitute presence in person at such meeting.

ARTICLE III. OFFICERS

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

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

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

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

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

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

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

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

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

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

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

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

ARTICLE IV. CERTIFICATES FOR SHARES AND THEIR TRANSFER

SECTION 1. Certificates for Shares. Certificates representing shares of the corporation shall be in such form as shall be determined by the Board of Directors. Such certificates shall be signed by the Chief Executive Officer or the President and by the Secretary. All certificates for shares shall be consecutively numbered or otherwise identified. The name and address of the person to whom the shares represented thereby are issued, with the number of shares and date of issue, shall be entered on the stock transfer books of the corporation. All certificates surrendered to the corporation for transfer shall be canceled and no new certificate shall be issued until the former certificate for a like number of shares shall have been surrendered and canceled, except that in case of a lost, destroyed or mutilated certificate a new one may be issued therefor upon such terms and indemnity to the corporation as the Board of Directors may prescribe.

SECTION 2.Transfer of Shares. Prior to due presentment of a certificate for shares for registration of transfer the corporation may treat the registered owner of such shares as the person exclusively entitled to vote, to receive notifications and otherwise to exercise all the rights and powers of an owner. Where a certificate for shares is presented to the corporation with a request to register for transfer, the corporation shall not be liable to the owner or any other person suffering loss as a result of such registration of transfer if (a) there were on or with the certificate the necessary endorsements, and (b) the corporation had no duty to inquire into adverse claims or has discharged any such duty. The corporation may require reasonable assurance that said endorsements are genuine and effective and in compliance with such other regulations as may be prescribed under the authority of the Board of Directors.

ARTICLE V. INDEMNIFICATION OF DIRECTORS, OFFICERS, EMPLOYEES AND AGENTS

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

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

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

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

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

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

(c) By the stockholders.

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

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

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

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

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

EXHIBIT 4.2(b)

FIRST AMENDMENT TO NOTE AGREEMENT

This First Amendment, dated as of September 1, 2001 (the or this "First Amendment") to the Note Agreement dated as of March 1, 2001 described below, is between Dentsply International Inc., a Delaware corporation (the "Company"), and each of the Purchasers party to the Note Agreement referred to herein (collectively, the "Noteholders").

RECITALS:

A. The Company and each of the Noteholders have heretofore entered into a Note Purchase and Private Shelf Agreement, dated as of March 1, 2001 (as in effect from time to time, the "Note Agreement"). Pursuant to the Note Agreement, the Company has heretofore issued (i) its Series A Notes in the aggregate principal amount of 82,450,000 Swiss Francs and (ii) its Series B Notes in the aggregate principal amount of 84,400,000 Swiss Francs, maturing, in each case, on March 1, 2007. The Noteholders are the holders of 100% of the outstanding principal amount of the Series A Notes and the Series B Notes.

B. The Company and the Noteholders now desire to amend certain provisions of the Note Agreement as of the date hereof in the respects, but only in the respects, hereinafter set forth.

C. Capitalized terms used herein shall have the respective meanings ascribed thereto in the Note Agreement unless herein defined or the context shall otherwise require.

D. All requirements of law have been fully complied with and all other acts and things necessary to make this First Amendment a valid, legal and binding instrument according to its terms for the purposes herein expressed have been done or performed.

NOW, THEREFORE, in consideration of good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the Company and the Noteholders do hereby agree as follows:

SECTION 1. Amendments.

Paragraph 5H of the Note Agreement shall be and is hereby amended in its entirety to read as follows:

> "5H. Intercreditor Agreement. The Company covenants that on or before September 30, 2001, the agent under (on its own behalf and as agent on behalf of each lender party to) both of the Bank Agreements shall enter into an intercreditor agreement with Prudential and each holder of Notes which shall be in form and content satisfactory to Prudential; provided however that, in the event the Company replaces, refinances or extends the term of either or both Bank Agreements with a facility or facilities that either (a) require guaranties by Subsidiaries of the Company or (b) provide that Subsidiaries of the Company may be borrowers thereunder, the Company shall cause each lender party to any such facility to simultaneously enter into a replacement intercreditor agreement (the "Intercreditor Agreement") with Prudential and each holder of Notes which shall include terms no less favorable to each holder of Notes than those referenced on the summary of intercreditor terms attached hereto as Exhibit E, and shall in any event be in form, scope and content satisfactory to Prudential."

Paragraph 6A(3) of the Note Agreement shall be and is hereby amended in its entirety to read as follows:

> "6A(3) Debt and Priority Debt Limitations. (i) The ratio, expressed as a percentage, of Consolidated Debt to Consolidated Capitalization to exceed (a) 55% at any time during the period commencing on the Series A Closing Day and ending on August 30, 2001, (b) 65% at any time during the period commencing on August 31, 2001 and ending on December 31, 2002, (c) 55% at any time during the period commencing on January 1, 2003 and ending on December 31, 2003, or (d) 50% at any time thereafter or (ii) the aggregate amount of Priority Debt to at any time exceed 15% of Consolidated Net Worth."

Paragraph 6B(8) of the Note Agreement shall be and is hereby amended in its entirety to read as follows:

"6B(8) Sale-and-Leasebacks. Enter into any transaction, directly or indirectly, whereby it shall sell or transfer any property, if at the time of such sale or disposition the Company or any Subsidiary intends to lease or otherwise acquire the right to use or possess (except by purchase) such property or like property for a substantially similar purpose (a "Sale and Leaseback Transaction") except:

(i) any Sale and Leaseback Transaction in which the property is sold by the Company to a Subsidiary or by a Subsidiary to the Company or another Subsidiary, or

(ii) the Company or any Subsidiary may enter into any Sale and Leaseback Transaction if (a) at the time thereof and immediately after giving effect thereto no Default or Event of Default shall exist (including any Event of Default under paragraph 6A(3)(ii)) and the proceeds from the sale of the subject property shall be equal to not less than 80% of its fair market value (as reasonably determined by the Company's Board of Directors); or

(iii)following the acquisition of DeGussa Dental Group by the Company or one or more of its Subsidiaries, any one or more Sale and Leaseback Transactions, in an aggregate equivalent amount not to exceed US$100,000,000, with respect to the precious metals owned by Degussa Dental Group prior to such acquisition; provided that any such Sale and Leaseback Transaction shall be entered into and effective no later than June 30, 2002; or"

The following shall be added as a new Paragraph 6C of the Note Agreement:

"6C. Subsidiary Accounts/Cash Management. The Company will not permit any Subsidiary party to the Subsidiary Guaranty to establish or maintain any deposit, checking or other account with any financial institution that is a party to either or both of the Bank Agreements; provided however, that such Subsidiaries may continue to maintain any such accounts that were in existence on the Series A Closing Day in accordance with the Company's cash management practices in effect on the Series A Closing Day; provided further, however, that the aggregate daily positive balances maintained therein on any day shall not exceed US$1,000,000."

The definition of "Bank Agreements" set forth in Paragraph 10B of the Note Agreement is hereby amended in its entirety to read as follows:

> "Bank Agreements" shall mean (i) the $250,000,000 Facility A 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement dated as of May 25, 2001, among the Company and the other Persons named as parties thereto, as amended or otherwise modified from time to time, (ii) the $250,000,000 Five-Year Competitive Advance, Revolving Credit and Guaranty Agreement dated as of May 25, 2001 among the Company and the other Persons named as parties thereto, as amended or otherwise modified from time to time and (iii) the Revolving Credit Agreement dated September 9, 1994, among the Company and the other Persons named as party thereto, as amended otherwise modified from time to time.

SECTION 2. Supplemental interest payments.

(a) In consideration of the agreement of the Noteholders to consent to amend the Note Agreement in the respects set forth in Section 1 hereof, the Company hereby agrees to pay, in addition to the interest payable in respect of the Series A Notes and Series B Notes pursuant to the respective terms of such Notes and of the Note Agreement as in effect on the date hereof, supplemental interest ("Supplemental Interest") on the respective unpaid principal balances of the Series A Notes and Series B Notes from and after the date hereof, in accordance with this Section 2.

(b) The Supplemental Interest payable on the Series A Notes and Series B Notes for any day from and after the date hereof shall be and mean interest (computed on the basis of a 360-day year consisting of twelve 30 day months) on the respective US Dollar Equivalent (as defined below) of such unpaid principal balances at the corresponding rate per annum set forth in the table below, determined by reference to the respective ratings from time to time assigned to the Company's long-term, senior, unsecured debt (which is not guarantied or subject to any other form of credit enhancement) by Standard and Poor's Ratings Group and Moody's Investor Service, Inc., and published by the applicable rating agency:

Applicable Debt Ratings	Supplemental Interest
BBB+ or Baa1 (or higher)1	0.40%
BBB or Baa21	0.60%
BBB- or Baa3 (or lower) 1	1.00%

1 In the event of a split rating, the higher of the two ratings will determine the applicable Supplemental Interest.

(c) Supplemental Interest shall be payable in arrears on each March 1, June 1, September 1 and December 1 subsequent to the date hereof in US Dollars in immediately available funds by wire transfer for credit to:

Prudential Managed
Account
Account No.
890-0304-391
The Bank of New York
New York, New York
(ABA No.: 021-000-018)

Each such wire transfer shall also reference the name of the Company, and the following information for the applicable Note to which such payment applies " _____% Series __ Notes due _____, Security No. !INV ____!, PPN _____", and the due date and application (Supplemental Interest) of the payment being made.

(d) For purposes hereof, the term "US Dollar Equivalent" shall mean the amount determined by converting the aggregate outstanding Swiss Franc balances of the Series A Notes or the Series B Notes, as the case may be, to the equivalent in US Dollars using a rate of exchange of (a) in the case of the Series A Notes, 1.649 Swiss Francs/1.000 US Dollars and (b) in the case of the Series B Notes, 1.688 Swiss Francs/1.000 US Dollars.

(e) Changes in the applicable Supplemental Interest rate shall become effective on the fifth Business Day following the date Standard and Poor's Ratings Group and/or Moody's Investor Service, Inc., as the case may be, publishes the relevant change in its applicable rating.

SECTION 3. REPRESENTATIONS AND WARRANTIES.

3.1 As of the date this First Amendment becomes effective pursuant to the provisions of Section 4.1 hereof, each of the Company and each Subsidiary party to the Subsidiary Guaranty, jointly and severally, represent and warrant to the Noteholders as follows:

(a) There are no set-offs, claims, defenses, counterclaims, causes of action, or deductions of any nature against any of the obligations under the Note Agreement or the Subsidiary Guaranty or evidenced by the Notes.

(b) After giving effect to the amendments made herein: (i) no Event of Default and, to the knowledge of the Company and the Subsidiaries party to the Subsidiary Guaranty, no Default, has occurred and is continuing, and (ii) the representations and warranties set forth in Paragraph 8 of the Note Agreement and Paragraph 5 of the Subsidiary Guaranty are true and correct on and as of the date this First Amendment becomes effective with the same force and effect as though made on such date, except to the extent that any such representation or warranty expressly relates solely to a previous date.

SECTION 4. Miscellaneous.

Upon the date that the Noteholders shall have received from each of the Company and the Subsidiaries party to the Subsidiary Guaranty a counterpart hereof signed by such party or facsimile or other written confirmation (in form satisfactory to the Noteholders) that such party has signed a counterpart hereof, this First Amendment shall become effective as of the date hereof.

This First Amendment shall be construed in connection with and as part of the Note Agreement, and except as modified and expressly amended by this First Amendment, all terms, conditions and covenants contained in the Note Agreement and the Notes are hereby ratified and shall be and remain in full force and effect.

Any and all notices, requests, certificates and other instruments executed and delivered after the execution and delivery of this First Amendment may refer to the Note Agreement without making specific reference to this First Amendment but nevertheless all such references shall include this First Amendment unless the context otherwise requires.

The descriptive headings of the various Sections or parts of this First Amendment are for convenience only and shall not affect the meaning or construction of any of the provisions hereof.

This First Amendment shall be governed by and construed in accordance with New York law.

The execution hereof by you shall constitute a contract between us for the uses and purposes hereinabove set forth, and this First Amendment may be executed in any number of counterparts, each executed counterpart constituting an original, but all together only one agreement.

Each of the Subsidiaries of the Company party to the Subsidiary Guaranty hereby joins in this First Amendment to evidence its consent hereto, and each such Subsidiary of the Company hereby reaffirms its obligations set forth in the Subsidiary Guaranty and in each other document given by it in connection with the Note Agreement and the Notes.

This First Amendment shall be governed by and construed in accordance with New York law.

[BORROWER:]

DENTSPLY INTERNATIONAL INC., a Delaware corporation

By:
Name: William R. Jellison
Title: Sr. VP and Chief Financial Officer

By:
Name: William E. Reardon
Title: Treasurer

[GUARANTORS:]

CERAMCO INC., a Delaware corporation

By:
Name: William E. Reardon
Title: Treasurer

CERAMCO MANUFACTURING CO., a Delaware corporation

By:
Name: William E. Reardon
Title: Treasurer

DENTSPLY INTERNATIONAL
PREVENTIVE CARE DIVISION L.P., a
Pennsylvania limited partnership

By:
Dentsply International Inc.,
a Delaware corporation, its
general partner

By:
Name: William E. Reardon
Title: Treasurer

G.A.C. INTERNATIONAL, INC., a
New York corporation

By:
Name: William E. Reardon
Title: Treasurer

MIDWEST DENTAL PRODUCTS CORP., a
Delaware corporation

By:
Name: William E. Reardon
Title: Treasurer

RANSOM & RANDOLPH COMPANY, a
Delaware corporation

By:
Name: William E. Reardon
Title: Treasurer

TULSA DENTAL PRODUCTS INC., a
Delaware corporation

By:
Name: William E. Reardon
Title: Treasurer

DENTSPLY FINANCE CO., a Delaware corporation

By:
Name:
Title:

DENTSPLY RESEARCH & DEVELOPMENT CORP., a Delaware corporation

By:
Name:
Title:

ACCEPTED AND AGREED TO:

THE PRUDENTIAL INSURANCE COMPANY OF AMERICA

By:_____
Title:

D3

FACILITY B FIVE-YEAR
COMPETITIVE ADVANCE, REVOLVING CREDIT
AND GUARANTY AGREEMENT

dated as of

May 25, 2001

among

DENTSPLY INTERNATIONAL INC., as Borrower,

THE GUARANTORS NAMED HEREIN,

THE BANKS NAMED HEREIN,

ABN AMRO BANK N.V., as Administrative Agent and
Arranger and Bookrunner

and

CREDIT SUISSE FIRST BOSTON and BANK OF TOKYO-MITSUBISHI TRUST COMPANY, as Co-Syndication Agents

FIRST UNION NATIONAL BANK and HARRIS TRUST AND SAVINGS BANK, as Co-Documentation Agents

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THIS FACILITY B FIVE-YEAR COMPETITIVE ADVANCE, REVOLVING CREDIT AND GUARANTY AGREEMENT, dated as of May 25, 2001, is made by and among DENTSPLY INTERNATIONAL INC., a Delaware corporation (the "Borrower"), the Guarantors (as hereinafter defined), the Banks from time to time party hereto (individually a "Bank" and collectively the "Banks"), ABN AMRO BANK N.V., as Administrative Agent for the Banks (the "Administrative Agent") and arranger and bookrunner, and CREDIT SUISSE FIRST BOSTON and BANK OF TOKYO-MITSUBISHI TRUST COMPANY, as Co-Syndication Agents (the "Co-Syndication Agents"), and FIRST UNION NATIONAL BANK and HARRIS TRUST AND SAVINGS BANK, as Co-Documentation Agents (the "Co-Documentation Agents").

INTRODUCTORY STATEMENT

All terms not otherwise defined herein are defined in Article I hereof.

The Borrower has requested that the Banks extend credit to the Borrower in order to enable the Borrower to borrow on a standby revolving credit basis a principal amount not in excess of $250,000,000 at any time outstanding and to obtain Letters of Credit.

The Borrower has also requested that the Banks provide a procedure pursuant to which the Borrower may invite the Banks to bid on an uncommitted basis on short-term borrowings by the Borrower.

The proceeds of all such borrowings and all Letters of Credit are to be used (a) to refinance outstanding Indebtedness of the Borrower, or to back existing letters of credit issued, under the Borrower's Existing Credit Agreements, (b) for general working capital and corporate purposes, including acquisitions in the industry of Borrower or any of its Material Subsidiaries, and (c) to facilitate borrowings by offshore Subsidiaries.

To provide assurance for the repayment of the Loans and all related interest, fees, charges, expenses, reimbursement obligations and other amounts payable with respect thereto, the Guarantors will guaranty the Obligations pursuant to Article VIII hereof.

Accordingly, the Borrower, the Guarantors, the Banks and the Administrative Agent agree as follows:

ARTICLE I DEFINITIONS

SECTION 1.01. Definitions. As used in this Agreement, the following words and terms shall have the respective meanings specified below:

"ABR Borrowing" shall mean a Borrowing comprised of ABR Loans.

"ABR Loan" shall mean any Revolving Credit Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"Administrative Agent" shall mean ABN AMRO Bank N.V., in its capacity as agent for the Banks hereunder and not in its individual capacity as a Bank, or such successor Administrative Agent as may be appointed pursuant to Section 9.06.

"Affiliate" shall mean, with respect to the person in question, (a) any person (including any member of the immediate family of any such natural person) which (i) directly or indirectly beneficially owns or controls 10% or more of the total voting power of shares of capital stock having the right to vote for directors under ordinary circumstances (if such person is a corporation), (ii) is a general partner (if such person is a partnership) or (iii) is otherwise empowered, by contract, voting trust or otherwise, to direct the business or affairs of such person, (b) any person controlling, controlled by or under common control with any such person (within the meaning of Rule 405 under the Securities Act of 1933), and (c) any director, general partner or executive officer of any such person.

"Agreement" shall mean this Facility B Five-Year Competitive Advance, Revolving Credit and Guaranty Agreement, dated as of May 25, 2001, among DENTSPLY International Inc., as Borrower, the Guarantors (as hereinafter defined), the Banks from time to time party hereto, ABN AMRO Bank N.V., as Administrative Agent and arranger and bookrunner, and Credit Suisse First Boston and Bank Of Tokyo-Mitsubishi Trust Company, as Co-Syndication Agents, and First Union National Bank and Harris Trust And Savings Bank, as Co-Documentation Agents, as the same may be amended, modified or supplemented from time to time.

"Alternate Base Rate" shall mean for any day, a rate per annum (rounded upwards, if not already a whole multiple of 1/16 of 1%, to the next higher 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day or (b) the Federal Funds Effective Rate in effect for such day plus 1/2 of 1%. For purposes hereof, the term "Prime Rate" shall mean the rate per annum announced by ABN AMRO Bank N.V. from time to time as its prime rate in effect at its principal office in Chicago, Illinois; each change in the Prime Rate shall be effective on the date such change is announced as effective. "Federal Funds Effective Rate" shall mean, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers, as published on the succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three Federal funds brokers of recognized standing selected by it. Any change in the Alternate Base Rate due to a change in the Federal Funds Effective Rate shall be effective on the effective date of such change in the Federal Funds Effective Rate. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient publications or quotations in accordance with the terms hereof, the Alternate Base Rate shall be the Prime Rate until the circumstances giving rise to such inability no longer exist.

"Alternate Currency" means (i) with respect to any Loan and Letter of Credit (other than a Subsidiary Borrowing Letter of Credit), the euro, British Pounds Sterling, Swiss Francs, Deutsche Marks and any other currency requested by the Borrower and approved by each Bank that is freely tradeable and exchangeable into Dollars in the London market and for which an Exchange Rate can be determined by reference to the Reuters World Currency Page or another publicly available service for displaying exchange rates, or (ii) with respect to any Subsidiary Borrowing Letter of Credit, any currency other than Dollars that is freely tradeable and exchangeable into Dollars, and for which an Exchange Rate can be determined, in each case by Issuing Bank in its sole judgment.

"Applicable Commitment Percentage" means, with respect to any Bank, the percentage of the total Commitments represented by such Bank's Commitment. If the Commitments have been terminated or expired, the Applicable Commitment Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

"Applicable Percentage" shall mean on any date, with respect to the Facility Fee or the Usage Fee or the Loans comprising any LIBOR Revolving Credit Borrowing or the Drawn Cost pertaining to the participation fee with respect to Letters of Credit, as the case may be, the corresponding applicable percentage set forth in the table below based upon the Debt Rating of the Borrower (determined in accordance with Section 2.10(e)):

Debt Rating: S&P and Moody's Respectively	Facility Fee: Applicable Percentage	LIBOR: Applicable Drawn Cost Applicable Percentage		Usage Fee Applicable Percentage	Fully Drawn Cost (>50%)
A or above, or A2 or above	10.0	30.0	40.0	10.0	50.0
A- or A3	10.0	40.0	50.0	12.5	62.5
BBB+ or Baa1	12.5	50.0	62.5	12.5	75.0
BBB or Baa2	17.5	57.5	75.0	15.0	90.0
BBB- or Baa3	30.0	70.0	100.0	25.0	125.0
BB+ or Ba1	40.0	110.0	150.0	25.0	175.0
BB or below or unrated, or Ba2 or below or unrated	50.0	175.0	225.0	25.0	250.0

For purposes of determining the Applicable Percentage:

(a) If a difference exists in the Debt Ratings of Moody's and Standard & Poor's, the higher of such Debt Ratings will determine the relevant pricing level,

(b) Any change in the Applicable Percentage shall become effective five (5) Business Days after any public announcement of the change in the Debt Rating.

"Assignment and Acceptance" shall mean an agreement in the form of Exhibit E hereto entered into pursuant to Section 2.24 executed by the assignor, assignee and other parties as contemplated thereby.

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

"Bank" and "Banks" shall mean the financial institutions listed on Schedule 2.01 and any assignee of a Bank pursuant to Section 2.24(b) or (c).

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States.

"Borrowing" shall mean a group of Loans of a single Interest Rate Type made by the Banks (or in the case of a Competitive Borrowing, by the Bank or Banks whose Competitive Bids have been accepted pursuant to Section 2.04) on a single date and as to which a single Interest Period is in effect.

"Business Day" shall mean any day not a Saturday, Sunday or legal holiday in the States of Illinois or New York or the Commonwealth of Pennsylvania on which banks and the Federal Reserve Bank of New York are open for business in New York City; provided, however, that when used in connection with a LIBOR Loan, the term "Business Day" shall also exclude any day on which banks are not open for dealings in deposits in the relevant currency in the London interbank market and when used in connection with a LIBOR Loan denominated in euro, the term "Business Day" shall also exclude any day which is not a TARGET Day.

"Calculation Date" means the last Business Day of each calendar quarter, provided that during the continuance of an Event of Default, "Calculation Date" means each Business Day during which such Event of Default continues to exist.

"Capitalized Lease Obligations" shall mean any obligation of a Person as lessee of any property (real, personal or mixed), which, in accordance with generally accepted accounting principles, is or should be accounted for as a capital lease on the balance sheet of such Person.

"Change in Law" means (a) the adoption of any law, rule, or regulation after the date of this Agreement, (b) any change in any law, rule, or regulation or in the interpretation or application thereof by any Governmental Authority after the date if this Agreement or (c) compliance by any Bank or the Issuing Bank (or for purposes of Section 2.16(b), by any lending office of such Bank or by such Bank's or the Issuing Bank's holding company, if any) with any request, guideline, or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Closing Date" shall mean the date of the first Borrowing hereunder.

"Code" shall mean the Internal Revenue Code of 1986, as the same shall be amended from time to time.

"Commitment" shall mean, with respect to each Bank, the commitment of such Bank hereunder as initially set forth on Schedule 2.01 (and thereafter on Schedule 2.01 to the most recent Assignment and Acceptance) as such Bank's Commitment may be permanently terminated, reduced, increased or extended from time to time pursuant to Section 2.13. Subject to Section 2.13, the Commitments shall automatically and permanently terminate on the Maturity Date.

"Competitive Bid" shall mean an offer by a Bank to make a Competitive Loan pursuant to Section 2.04.

"Competitive Bid Accept/Reject Letter" shall mean a notification made by the Borrower pursuant to Section 2.04(d) in the form of Exhibit A-4.

"Competitive Bid Rate" shall mean, as to any Competitive Bid made by a Bank pursuant to Section 2.04(b), (a) in the case of a LIBOR Loan, the Margin and (b) in the case of a Fixed Rate Loan, the fixed rate of interest offered by the Bank making such Competitive Bid.

"Competitive Bid Request" shall mean a request made pursuant to Section 2.04 in the form of Exhibit A-1.

"Competitive Borrowing" shall mean a borrowing consisting of a Competitive Loan or concurrent Competitive Loans from the Bank or Banks whose Competitive Bids for such Borrowing have been accepted by the Borrower under the bidding procedure described in Section 2.04.

"Competitive Loan" shall mean a Loan from a Bank to the Borrower pursuant to the bidding procedure described in Section 2.04. Each Competitive Loan shall be a LIBOR Competitive Loan or a Fixed Rate Loan.

"Competitive Loan Exposure" means, with respect to any Bank at any time, the aggregate principal amount of the outstanding Competitive Loans of such Bank.

"Competitive Note" shall mean a promissory note of the Borrower in the form of Exhibit B-1 executed and delivered as provided in Section 2.09.

"Consolidated" shall mean, as applied to any financial or accounting term, such term determined on a consolidated basis in accordance with generally accepted accounting principles (except as otherwise required herein) for the Borrower and each Subsidiary which is a Consolidated Subsidiary of the Borrower.

"Consolidated EBITDA" shall mean for any period "Operating income" as set forth in the DENTSPLY International Inc. Consolidated Statements of Income, plus depreciation and amortization (to the extent previously deducted), determined in accordance with generally accepted accounting principles and in a manner consistent with the accounting principles used to prepare the audited DENTSPLY International Inc. Consolidated Statements of Income for the year ended December 31, 2000, and delivered to the Administrative Agent; provided that there shall be excluded: (a) the income (or loss) from operations of any person, accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the person whose income is being determined or a subsidiary of such person; and

(b) the income (or loss) from operations of any person (other than a Subsidiary) in which the person whose operating income is being determined or any subsidiary of such person has an ownership interest, except to the extent that any such income has actually been received by such person in the form of cash dividends or similar distributions.

"Consolidated Interest Coverage Ratio" shall mean, in respect of any fiscal period of the Borrower, (a) Consolidated EBITDA divided by (b) Consolidated Interest Expense.

"Consolidated Interest Expense" shall mean, for any fiscal period of the Borrower, without duplication of expense among fiscal periods (a) the aggregate amount determined on a Consolidated basis of (i) all interest on Indebtedness of the Borrower and its Consolidated Subsidiaries accrued during such period, (ii) all rentals imputed as interest accrued under Capitalized Lease Obligations during such period by such person and (iii) all amortization of discount and expense relating to Indebtedness of the Borrower and its Consolidated Subsidiaries which amortization was accounted for during such period, (b) adjusted downward for capital gains and upward for capital losses on maturing U.S. Treasury obligations and (c) adjusted downward for interest income (to the extent not previously excluded), as determined in accordance with generally accepted accounting principles.

"Consolidated Net Income" shall mean the net income (or net loss) of the Borrower and its Consolidated Subsidiaries for the period in question (taken as a whole), as determined in accordance with generally accepted accounting principles; provided that there shall be excluded:

(a) the net income (or net loss) of any person, accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the person whose net income is being determined or a subsidiary of such person; and

(b) the net income (or net loss) of any person (other than a Subsidiary) in which the person whose net income is being determined or any subsidiary of such person has an ownership interest, except to the extent that any such income has actually been received by such person in the form of cash dividends or similar distributions.

"Consolidated Net Worth" shall mean, as at any date of determination, the sum of the capital stock (less treasury stock) and additional paid-in capital plus retained earnings (or minus accumulated deficit) of the Borrower and its Consolidated Subsidiaries on a Consolidated basis.

"Consolidated Subsidiary" means, in the case of the Borrower at any date, any Subsidiary or other entity the accounts of which are Consolidated with those of the Borrower in the Consolidated financial statements of the Borrower as of such date.

"Consolidated Total Capitalization" shall mean the sum of (a) Consolidated Total Indebtedness and (b) Consolidated Net Worth.

"Consolidated Total Indebtedness" shall mean the Consolidated Indebtedness of the Borrower and its Consolidated Subsidiaries.

"Contribution Agreement" shall mean a Contribution Agreement among the Borrower and the Guarantors substantially in the form of Exhibit C hereto.

"Credit Exposure" means, in respect of any Bank, the sum of such Bank's Revolving Credit Exposure and its Competitive Loan Exposure.

"Debt Rating" shall mean the rating by each of Standard & Poor's and Moody's of the Borrower's senior unsecured long-term debt which is not guarantied by any Person or subject to any other credit enhancement.

"Debt Ratio" shall mean the ratio of Consolidated Total Indebtedness to Consolidated Total Capitalization.

"Default" shall mean an Event of Default or any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Des Plaines Lease" shall mean the Amended and Restated Sale and Leaseback Agreement, dated as of August 1, 1991 between McDonough Partners I as Buyer and Midwest Dental Products Corporation, as Seller.

"Dollar Equivalent" means

(a) as to any Loan denominated in Dollars, the principal amount thereof,

(b) as to any Loan denominated in an Alternate Currency, the amount in Dollars which is equivalent to the principal amount thereof, determined by the Administrative Agent pursuant to Section 1.03(a) using the Exchange Rate with respect to such Alternate Currency at the time in effect,

(c) as to any Subsidiary Borrowing Letter of Credit or other Letter of Credit denominated in an Alternate Currency prior to the time of payment thereunder, the amount in Dollars (i) which is stated to be paid in Dollars under the Letter of Credit, and (ii) which is equivalent to the maximum amount that may be paid in an Alternate Currency under the Letter of Credit determined by the Administrative Agent pursuant to Section 1.03(a) using the Exchange Rate with respect to such Alternate Currency at the time in effect, and

(d) as to any Subsidiary Borrowing Letter of Credit or other Letter of Credit denominated in an Alternate Currency at the time of a payment thereunder, the amount in Dollars calculated in accordance with clause (c) directly above for that portion, if any, remaining unpaid and available thereunder plus, with respect to the portion paid thereunder, the amount in Dollars (i) which is actually paid in Dollars under the Letter of Credit, and (ii) which is equivalent to the amount actually paid in an Alternate Currency under the Letter of Credit computed at the Issuing Bank's then current rate of exchange (based on the market rates then prevailing and available to Issuing Bank), as reasonably determined by Issuing Bank, utilized for payment thereunder to or at the place of payment in the currency in which payment is made under the Letter of Credit, plus any costs, premiums, and expenses arising from all currency conversions incurred by Issuing Bank in connection therewith.

"Dollars", "dollars" and the symbol "$" shall mean the lawful currency of the United States of America.

"Effective Date" shall mean the date on which the conditions to borrowing set forth in Sections 4.01 and 4.02 are first satisfied.

"Environmental Laws" shall mean all statutes, ordinances, orders, rules and regulations relating to environmental matters, including those relating to fines, orders, injunctions, penalties, damages, contribution, cost recovery compensation, losses or injuries resulting from the release or threatened release of Hazardous Materials and to the generation, use, storage, transportation, or disposal of Hazardous Materials or in any manner applicable to the Borrower or any of the Subsidiaries or any of their respective properties, including the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. ss. 9601 et seq.), the Hazardous Material Transportation Act (49 U.S.C. ss. 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C.ss. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C.ss. 1251 et seq.), the Clean Air Act (42 U.S.C. ss. 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. ss. 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C.ss. 651 et seq.) and the Emergency Planning and Community Right-to-Know Act (42 U.S.C. ss. 11001 et seq.), each as amended or supplemented, and any analogous current or future Federal, state or local statutes and regulations promulgated pursuant thereto.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may from time to time be amended.

"ERISA Affiliate" shall mean with respect to the Borrower, any trade or business (whether or not incorporated) which is a member of a group of which the Borrower is a member and which is under common control within the meaning of Section 414 of the Code.

"ESOP" shall mean the DENTSPLY Employee Stock Ownership Plan effective as of December 1, 1982 and restated as of January 1, 1991.

"Event of Default" shall mean any of the events described in clauses (a) through (m) of Article VII.

"Exchange Rate" means, on any day, with respect to any Alternate Currency, the rate at which such Alternate Currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m., London time, on such date on the Reuters World Currency Page for such Alternate Currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to the applicable Bloomberg System page, or, in the event that such rate does not appear on such page, such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, such Exchange Rate shall instead be the spot rate of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such Alternate Currency are then being conducted, at or about 11:00 a.m., London time, on such date for the purchase of Dollars for delivery two Business Days later; provided that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

"Execution Date" shall mean the date of this Agreement.

"Existing Credit Agreements" shall mean the Existing Revolving Credit Agreement, the Existing Master Letter of Credit Agreement, and the Existing Multicurrency Revolving Credit Agreement.

"Existing Master Letter of Credit Agreement" shall mean that Master Letter of Credit Agreement, dated as of February 21, 2001, between ABN AMRO Bank N.V. and Borrower, as amended and supplemented by that Addendum to Master Letter of Credit Agreement, dated as of February 23, 2001, among the same parties, as amended, modified, and supplemented through the date hereof.

"Existing Multicurrency Revolving Credit Agreement" shall mean the Revolving Credit Agreement, dated as of September 9, 1994, among Borrower, the Guarantors named therein, and ABN AMRO Bank N.V., as amended, modified, and supplemented through the date hereof.

"Existing Revolving Credit Agreement" shall mean the 5-Year Competitive Advance, Revolving Credit and Guaranty Agreement, dated as of October 23, 1997, as amended, modified, and supplemented through the date hereof, among the Borrower, the guarantors and banks, party thereto, and The Chase Manhattan Bank, as Agent, and ABN AMRO Bank N.V., as Documentation Agent, together with any agreement between The Chase Manhattan Bank, as a letter of credit issuing bank, that addresses any letters of credit issued thereunder.

"Facility A Credit Agreement" shall mean the $250,000,000, Facility A 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement, dated as of the date hereof among the Borrower, the guarantors and the banks party thereto, ABN AMRO BANK N.V., as administrative agent and arranger and bookrunner, and Credit Suisse First Boston and Bank Of Tokyo-Mitsubishi Trust Company, as Co-Syndication Agents, and First Union National Bank and Harris Trust And Savings Bank, as Co-Documentation Agents, as amended, modified and supplemented from time to time.

"Facility Fee" shall have the meaning given such term in Section 2.08 hereof.

"Fee Letter" shall mean that letter, dated as of March 19, 2001, given by Administrative Agent to, and executed by, Borrower, as amended, modified, and supplemented from time to time.

"Financial Officer" of any person shall mean its Senior Vice President-Chief Financial Officer, Treasurer or Controller.

"Fixed Rate Borrowing" shall mean a Borrowing comprised of Fixed Rate Loans.

"Fixed Rate Loan" shall mean any Competitive Loan bearing interest at a fixed percentage rate per annum (expressed in the form of a decimal to no more than four decimal places) specified by the Bank making such Loan in its Competitive Bid.

"Fundamental Documents" shall mean this Agreement, the Contribution Agreement, the Competitive Notes, the Letters of Credit, the Revolving Credit Notes, and the Fee Letter.

"Governmental Authority" shall mean any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or any central bank or court, in each case whether of the United States or other jurisdiction, or any political subdivision thereof.

"Guarantors" shall mean all Material Subsidiaries which are incorporated in the United States, all of which are listed on Schedule 1.01, and any other Subsidiaries of the Borrower which become Guarantors pursuant to Section 5.11.

"Guaranty", "Guarantied" or to "Guaranty" as applied to any obligation shall mean and include (a) a guaranty (other than by endorsement of negotiable instruments for collection in the ordinary course of business), directly or indirectly, in a manner, of any part (to the extent of such part) or all of such obligation and (b) an agreement, direct or indirect, contingent or otherwise, and whether or not constituting a guaranty, the intention or practical effect of which is to assure the payment or performance (or payment of damages or compensation in the event of nonperformance) of any part (to the extent of such part) or all of such obligation whether by (i) the purchase of securities or obligations, (ii) the purchase, sale or lease (as lessee or lessor) of property or the purchase or sale of services primarily for the purpose of enabling the obligor with respect to such obligation to make any payment or performance (or payment of damages or compensation in the event of nonperformance) of or on account of any part or all of such obligation, or to assure the owner of such obligation against loss, (iii) the supplying of funds to or in any other manner investing in the obligor or any other person with respect to or on account of such obligation, (iv) repayment of amounts drawn by beneficiaries of letters of credit or arising out of the import of goods or (v) the indemnifying or holding harmless, in any way, of a person against any part (to the extent of such part) or all of such person's obligation under a Guaranty except for hold harmless agreements with vendors with respect to product liability and warranties to customers.

"Hazardous Materials" shall mean any hazardous substances or wastes as such terms are defined in any applicable Environmental Law, including (a) oil, petroleum and any by-product thereof and (b) asbestos and asbestos-containing material.

"Indebtedness" shall mean, with respect to any person (a) all obligations of such person for borrowed money or with respect to bankers' acceptances, deposits, or advances of any kind, (b) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such person upon which interest charges are customarily paid, except for debt obligations of any Subsidiary of Borrower located in Brazil which are related to foreign accounts receivable sold to certain banks, (d) all obligations of such person for the deferred purchase price of property or services (except (i) accounts payable to suppliers incurred in the ordinary course of business and paid within one year, (ii) non-interest-bearing notes payable to suppliers incurred in the ordinary course of business and having a maturity date not later than one year after the date of issuance thereof, and (iii) payroll and other accruals arising in the ordinary course of business), (e) all obligations of such person under conditional sale or other title retention agreements relating to property purchased by such person, (f) all Capitalized Lease Obligations, including obligations arising from sale and leaseback transactions which are required to be accounted for as Capitalized Lease Obligations, (g) all Indebtedness of others which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien on the property or assets of the person in question (the amount of such Indebtedness taken into account for the purposes of this clause (g) not to exceed the book value of such property or assets), (h) all Guaranties of such person, and (i) all obligations of such person in respect of interest rate protection agreements, foreign currency exchange agreements, or other interest, exchange rate, or commodity hedging

transactions (the amount of such Indebtedness for purposes of this clause (i) to be the termination value of such agreement or arrangement); provided, however, that there shall be excluded from this definition (x) Indebtedness between the Borrower and any domestic Subsidiary and (y) Indebtedness between domestic Subsidiaries; provided further, however, that any Indebtedness owed to a domestic Subsidiary remaining outstanding after that Subsidiary ceases to be a Subsidiary shall be included as Indebtedness hereunder.

"Intercreditor Agreement" shall mean an Intercreditor Agreement, by and among Administrative Agent on behalf of the Banks and itself, The Prudential Insurance Company of America, on behalf of Noteholders described therein, Borrower, and the Guarantors, as the same may be amended, modified or supplemented from time to time.

"Interest Payment Date" shall mean, with respect to any Loan, the last day of the Interest Period applicable thereto and, in the case of a LIBOR Loan with an Interest Period of more than three months' duration or a Fixed Rate Loan with an Interest Period of more than 90 days' duration, each day that would have been an Interest Payment Date had successive Interest Periods of three months' duration or 90 days' duration, as the case may be, been applicable to such Loan, and, in addition, the date of any continuation or conversion of the Interest Rate Type applicable to such Loan with or to a Loan of a different Interest Rate Type.

"Interest Period" shall mean (a) as to any LIBOR Borrowing, the period commencing on the date of such Borrowing or on the last day of the immediately preceding Interest Period applicable to such Borrowing, as the case may be, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months thereafter, as the Borrower may elect, (b) as to any ABR Borrowing, the period commencing on the date of such Borrowing and ending on the earliest of (i) the next succeeding March 31, June 30, September 30 or December 31, (ii) the Maturity Date and (iii) the date such Borrowing is continued or converted to a Borrowing of a different Interest Rate Type in accordance with Section 2.07 or prepaid in accordance with Section 2.14 and (c) as to any Fixed Rate Borrowing, the period commencing on the date of such Borrowing and ending on the date specified in the Competitive Bids in which the offer to make the Fixed Rate Loans comprising such Borrowing were extended, which shall not be earlier than 7 days after the date of such Borrowing or later than 360 days after the date of such Borrowing; provided, however, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of LIBOR Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period.

"Interest Rate Type", when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, "Rate" shall mean LIBOR, the Alternate Base Rate or the Fixed Rate, as applicable.

"Issuing Bank" means ABN AMRO Bank N.V., in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i), or The Chase Manhattan Bank, in its capacity as the issuer of Letters of Credit hereunder, and its successors in such capacity as provided in Section 2.06(i), provided that with respect to any Letters of Credit issued hereunder on or after the date hereof other than those Letters of Credit deemed to be issued hereunder pursuant to Section 2.06(a) hereof, the Issuing Bank shall mean only ABN AMRO Bank N.V. The Issuing Bank may, in its discretion, arrange for one or more Letters of Credit to be issued by Affiliates of the Issuing Bank, in which case the term "Issuing Bank" shall include any such Affiliate with respect to Letters of Credit issued by such Affiliate.

"Law" shall mean any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, ruling, order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or settlement agreement with any Governmental Authority.

"LC Disbursement" means a payment made by the Issuing Bank pursuant to a Letter of Credit.

"LC Exposure" means, at any time, the sum of the Dollar Equivalent of (a) the aggregate undrawn amount of all outstanding Letters of Credit at such time plus (b) the aggregate amount of all LC Disbursements that have not yet been reimbursed by or on behalf of the Borrower at such time. The LC Exposure of any Bank at any time shall be its Applicable Commitment Percentage of the total LC Exposure at such time.

"LC Sublimit" means $50,000,000.

"Letter of Credit" means any letter of credit issued pursuant to this Agreement and includes Subsidiary Borrowing Letters of Credit.

"LIBOR" shall mean, with respect to any LIBOR Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16th of 1%) equal to the rate at which deposits in the applicable currency approximately equal in principal amount to (a) in the case of a Revolving Credit Borrowing, the Administrative Agent's portion of such LIBOR Borrowing and (b) in the case of a Competitive Borrowing, a principal amount that would have been the Administrative Agent's portion of such Competitive Borrowing had such Competitive Borrowing been a Revolving Credit Borrowing, and for a maturity comparable to such Interest Period are offered to the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"LIBOR Borrowing" shall mean a Borrowing comprised of LIBOR Loans.

"LIBOR Competitive Loan" shall mean any Competitive Loan bearing interest at a rate determined by reference to LIBOR in accordance with the provisions of Article II.

"LIBOR Loan" shall mean any LIBOR Competitive Loan or LIBOR Revolving Credit Loan.

"LIBOR Revolving Credit Loan" shall mean any Revolving Credit Loan bearing interest at a rate determined by reference to LIBOR in accordance with the provisions of Article II.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind whatsoever (including any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction other than a financing statement filed or given as a precautionary measure in respect of a lease which is not required to be accounted for as a Capitalized Lease Obligation and which does not otherwise secure an obligation that constitutes Indebtedness).

"Loan" shall mean a Competitive Loan or a Revolving Credit Loan, whether made as a LIBOR Loan, an ABR Loan or a Fixed Rate Loan, as permitted hereby.

"Margin" shall mean, as to any LIBOR Competitive Loan, the margin (expressed as a percentage rate per annum in the form of a decimal to four decimal places) to be added to or subtracted from LIBOR in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

"Material Subsidiary" shall mean any Subsidiary incorporated or otherwise organized in the United States (i) the consolidated net income of which for the most recent fiscal year of the Borrower for which audited financial statements have been delivered pursuant to Section 5.05 were greater than or equal to 5% of Consolidated Net Income for such fiscal year, (ii) the consolidated tangible assets of which as of the last day of the Borrower's most recently ended fiscal year were greater than or equal to 5% of the Borrower's consolidated tangible assets as of such date or (iii) the net worth of which as of the last day of the Borrower's most recently ended fiscal year was greater than or equal to 5% of Consolidated Net Worth as of such date; provided that, if at any time the aggregate amount of the consolidated net income, consolidated tangible assets or consolidated net worth of all Subsidiaries incorporated or otherwise organized in the United States that are not Material Subsidiaries exceeds 15% of consolidated net income for any such fiscal year, 15% of the Borrower's consolidated tangible assets as of the end of any such fiscal year or 15% of Consolidated Net Worth for any such fiscal year, the Borrower (or, in the event the Borrower has failed to do so within 10 days, the Administrative Agent) shall designate as "Material Subsidiaries" Subsidiaries incorporated or otherwise organized in the United States sufficient to eliminate such excess, and such designated Subsidiaries incorporated in the United States shall for all purposes of this Agreement constitute Material Subsidiaries.

"Maturity Date" shall mean the fifth anniversary of the Execution Date, subject to any extension made pursuant to Section 2.13.

"Moody's" shall mean Moody's Investors Service, Inc., and its successors.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate of the Borrower is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Multiple Employer Plan" shall mean a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of which are not under common control, as such a Plan is described in Sections 4063 and 4064 of ERISA.

"Notes" shall mean the Competitive Notes and the Revolving Credit Notes.

"Obligations" shall mean the obligation of the Borrower to make due and punctual payments of principal of and interest on the Loans, the Facility Fee and all other monetary obligations of the Borrower to the Administrative Agent or any Bank under this Agreement, the Notes or the Fundamental Documents.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"person" or "Person" shall mean any natural person, corporation, trust, association, company, partnership, limited liability company, joint venture or government, or any agency or political subdivision thereof.

"Plan" shall mean any employee plan (including a Multiple Employer Plan but not a Multiemployer Plan) which is subject to the provisions of Title IV of ERISA and which is maintained for employees of the Borrower or any ERISA Affiliate of the Borrower.

"Pro Forma Basis" shall mean, in connection with an acquisition or disposition by or merger involving the Borrower or any Subsidiary, a computation of compliance with the requirements of this Agreement for the immediately preceding four full fiscal quarters or other relevant period assuming that such acquisition, disposition or merger had occurred at the beginning of such period. Such computation shall take into account the relevant financial information with respect to the acquired, disposed of, or merged entity for such period and shall assume that any Indebtedness incurred in connection with such acquisition, disposition or merger had been incurred at the beginning of such period; provided, however, in order to avoid double-counting, it is acknowledged that if the Borrower or any Subsidiary incurs Indebtedness in connection with such a transaction and repays Indebtedness of the acquired, disposed of or merged entity, the Indebtedness so repaid shall not be included as Indebtedness of such entity for such period.

"Prohibited Transaction" shall mean any prohibited transaction as described in Section 4975 of the Code or section 406 of ERISA for which neither an individual nor a class exemption has been issued by the U.S. Department of Labor.

"Proposed Acquisition" shall mean that acquisition reflected in the confidential projected income statement, statement of cash flow, and balance sheet, dated as of May 9, 2001, and entitled, "Acquisition Consolidated," which has been made available to the Banks and Administrative Agent, provided that in making the Proposed Acquisition, Borrower and its Subsidiaries shall not violate Regulations T, U, or X and, to the extent that any credit provided hereunder shall be utilized to purchase or carry margin stock (as such terms are defined in Regulation U) in connection with the Proposed Acquisition, Borrower shall provide to Administrative Agent such forms as are required by Regulation U and the value of such margin stock, together with all other margin stock, held by Borrower (if it is making the acquisition) or of any Subsidiary which is making the acquisition shall not exceed 25% of the value of the assets (as such values are determined in accordance with Regulation U) of the person making the acquisition; and, for purposes of Section 6.11, the Proposed Acquisition shall be deemed to occur on the date on which an amount in excess of $1,000,000 (or its Dollar Equivalent) is expended or committed to be expended by any one or more of Borrower or any of its Subsidiaries in consideration of such acquisition.

"Reduction Date" shall have the meaning given in Section 2.13(c) hereof.

"Register" shall be as defined in Section 2.24(e).

"Regulation D" shall mean Regulation D of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation T" shall mean Regulation T of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation X" shall mean Regulation X of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Reportable Event" shall mean any reportable event as defined in Section 4043(c) of ERISA or the regulations issued thereunder.

"Required Banks" shall mean at any time Banks holding (i) greater than 50% of the Commitments and (ii) greater than 50% of the principal amount of Loans then outstanding; provided that in order to terminate the Commitments or declare the Notes to be forthwith due and payable pursuant to Article VII hereof, "Required Banks" shall mean Banks holding greater than 50% of the aggregate principal amount then outstanding of Credit Exposures.

"Reset Date" is defined at Section 1.03.

"Revolving Credit Borrowing" shall mean a Borrowing consisting of simultaneous Revolving Credit Loans from each of the Banks.

"Revolving Credit Borrowing Request" shall mean a request made pursuant to Section 2.05 in the form of Exhibit A-5.

"Revolving Credit Exposure" means, with respect to any Bank at any time, the sum of (a) the outstanding Dollar Equivalent principal amount of such Bank's Revolving Credit Loans denominated in Dollars, (b) the Dollar Equivalent of the outstanding principal amount of such Bank's Revolving Credit Loans denominated in Alternate Currencies, and (c) such Bank's LC Exposure at such time.

"Revolving Credit Loans" shall mean the revolving loans made by the Banks to the Borrower pursuant to Section 2.05. Each Revolving Credit Loan shall be a LIBOR Revolving Credit Loan or an ABR Loan.

"Revolving Credit Note" shall mean a promissory note of the Borrower in the form of Exhibit B-2, executed and delivered as provided in Section 2.09.

"Senior Officer" shall mean the Chairman, Vice Chairman, President and Senior Vice Presidents of the Borrower.

"Standard & Poor's" shall mean Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.

"Statutory Reserves" shall mean with respect to LIBOR, a fraction (expressed as a decimal) the numerator of which is the number one and the denominator of which is one minus the aggregate of the maximum reserve requirements (including any marginal, special, emergency or supplemental reserves) established by the Board or any other banking authority to which a Bank is subject for Eurocurrency Liabilities (as defined in Regulation D). Such reserve percentages shall include those imposed under Regulation D. LIBOR Loans shall be deemed to constitute Eurocurrency Liabilities and as such shall be deemed to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Bank under Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"subsidiary" shall mean, with respect to any person, any corporation, association or other business entity of which more than 50% of the securities or other ownership interests having ordinary voting power is, at the time of which any determination is being made, owned or controlled by such person or one or more subsidiaries of such person.

"Subsidiary" shall mean a subsidiary of the Borrower.

"Subsidiary Borrowing Letters of Credit" shall mean those Letters of Credit denominated in an Alternate Currency which are issued for the account of Borrower to facilitate the borrowing by Subsidiaries not organized under the Laws of the United States or any state thereof.

"TARGET Day" shall mean any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System (or, if such clearing system ceases to be operative, such other clearing system (if any) determined by the Administrative Agent to be a suitable replacement) is operating.

"Total Commitment" shall mean the aggregate amount of the Banks' Commitments, as in effect at such time.

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA, or liability to a Multiple Employer Plan pursuant to Section 4062(e), 4063, or 4064 of ERISA.

SECTION 1.02. Accounting Terms and Determinations. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles and practices consistent in all material respects (except for changes with which the Borrower's independent auditors concur and as to which Borrower shall notify Administrative Agent in writing prior to the effectiveness thereof) with those applied in the preparation of the financial statements referred to in Section 3.05(a) (and references herein to generally accepted accounting principles shall mean generally accepted accounting principles as so applied) and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles and practices, except as otherwise expressed herein. The definitions in this Article I shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" as used in this Agreement and any Exhibit or Schedule hereto shall be deemed in each case to be followed by the phrase "without limitation."

SECTION 1.03. Exchange Rates. (a) Not later than 1:00 p.m., London time, on each Calculation Date, the Administrative Agent shall (i) determine the Exchange Rate as of such Calculation Date with respect to each Alternate Currency and (ii) give notice thereof to the Banks and the Borrower. The Exchange Rates so determined shall become effective on the first Business Day immediately following the relevant Calculation Date (a "Reset Date"), shall remain effective until the next succeeding Reset Date, and shall for all purposes of this Agreement (other than Section 10.12 or any other provision expressly requiring the use of a current Exchange Rate) be the Exchange Rates employed in converting any amounts between Dollars and Alternate Currencies.

(b) Not later than 5:00 p.m., London time, on each Reset Date and each date on which a Borrowing or issuance of any Letter of Credit shall occur, the Administrative Agent shall (i) determine the Dollar Equivalent of the LC Exposure and of the aggregate principal amount of the Loans then outstanding that are denominated in Alternate Currencies (after giving effect to any reimbursement of LC Disbursements and Loans made or repaid on such date) and (ii) notify the Borrower of the aggregate Credit Exposures of the Banks.

ARTICLE II LOANS

SECTION 2.01. Commitments. (a) Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Bank agrees, severally and not jointly, to make Revolving Credit Loans to the Borrower, in Dollars or one or more Alternate Currencies, at any time and from time to time during the Availability Period, in an aggregate principal amount at any time outstanding not to exceed such Bank's Commitment minus (i) the amount by which the Competitive Loans outstanding at such time shall be deemed to have used such Commitment pursuant to Section 2.19, and (ii) the amount of such Bank's LC Exposure, subject, however, to the conditions that (a) at no time shall (i) the sum of (A) the outstanding aggregate principal amount of all Revolving Credit Exposures of all Banks plus (B) the outstanding aggregate principal amount of all Competitive Loans made by all Banks exceed (ii) the Total Commitment , (b) at all times (except as expressly contemplated by the last sentence of Section 2.13(d)) the Revolving Credit Exposure of each Bank shall equal the product of (i) such Bank's Applicable Commitment Percentage and (ii) the outstanding aggregate Revolving Credit Exposures.

(b) Within the foregoing limits, the Borrower may borrow, pay or repay and reborrow hereunder, on and after the Effective Date and prior to the Maturity Date, upon the terms and subject to the conditions and limitations set forth herein.

SECTION 2.02. Loans. (a) Each Revolving Credit Loan shall be made as part of a Borrowing consisting of Loans made by the Banks ratably in accordance with their Commitments; provided, however, that the failure of any Bank to make any Revolving Credit Loan shall not in itself relieve any other Bank of its obligation to lend hereunder (it being understood, however, that no Bank shall be responsible for the failure of any other Bank to make any Loan required to be made by such other Bank). Each Competitive Loan shall be made in Dollars in accordance with the procedures set forth in Section 2.04. The Competitive Loans comprising any Borrowing shall be denominated in Dollars in an aggregate amount that is at least $5,000,000 and in an integral multiple of $1,000,000. The

Revolving Credit Loans comprising any Borrowing shall be in a minimum amount of $5,000,000 (or the Dollar Equivalent thereof) and, in the case of Loans denominated in Dollars, an integral multiple of $1,000,000, or an aggregate principal amount equal to (or the Dollar Equivalent of which is equal to) the remaining balance of the available Commitments or the amount required to finance the reimbursement of an LC Disbursement as contemplated by Section 2.06(e)).

(b) Each Competitive Borrowing shall be comprised entirely of LIBOR Competitive Loans or Fixed Rate Loans, and each Revolving Credit Borrowing shall be comprised entirely of LIBOR Revolving Credit Loans, or, in the case of a Borrowing denominated in Dollars, ABR Loans, as the Borrower may request pursuant to Section 2.04 or 2.05, as applicable. Each Bank may at its option make any LIBOR Loan by causing any domestic or foreign branch or Affiliate of such Bank to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement and the applicable Note. Borrowings of more than one Interest Rate Type may be outstanding at the same time; provided, however, that the Borrower shall not be entitled to request any Borrowing that, if made, would result in an aggregate of more than 15 separate Revolving Credit Loans of any one Bank being outstanding hereunder at any one time. For purposes of the calculation required by the immediately preceding sentence, LIBOR Revolving Credit Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Loans and all Loans of a single Interest Rate Type made on a single date shall be considered a single Loan if such Loans have a common Interest Period.

(c) Each Bank shall make each Loan (other than Loans denominated in Alternate Currencies) to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the Administrative Agent in Chicago, Illinois, not later than 12:00 noon, New York City time, and the Administrative Agent shall by 3:00 p.m., New York City time, credit the amounts so received to the general deposit account of the Borrower as directed in writing from time to time by Borrower; (provided that ABR Loans made to finance the reimbursement of an LC Disbursement as provided in Section 2.06(e) shall be remitted by the Administrative Agent to the Issuing Bank), or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Banks as soon as practicable. Competitive Loans shall be made by the Bank or Banks whose Competitive Bids therefor are accepted pursuant to Section 2.04 in the amounts so accepted and Revolving Credit Loans shall be made by the Banks pro rata in accordance with Section 2.19. Each Bank shall make each Loan denominated in an Alternate Currency to be made by it hereunder on the proposed date thereof by wire transfer of such immediately available funds as may then be customary for the settlement of international transactions in the applicable Alternate Currency, by 12:00 noon, New York City time, to an account designated by the Administrative Agent. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower as specified in the applicable Revolving Credit Borrowing Request or Competitive Bid Request. Unless the Administrative Agent shall have received notice from a Bank prior to the date of any Borrowing, the Administrative Agent may assume that such Bank has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with this paragraph (c) and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have made such portion available to the Administrative Agent,

such Bank and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of the Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Bank, the Federal Funds Effective Rate, or, in the case of any amount denominated in an Alternate Currency, such other rate as shall be specified by the Administrative Agent as representing its cost of overnight or short-term funds in such currency. If such Bank shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Bank's Loan as part of such Borrowing for purposes of this Agreement.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date and all Revolving Credit Loans shall be due and payable on the Maturity Date.

SECTION 2.03. Use of Proceeds. The proceeds of the Loans shall be used to refinance outstanding Indebtedness of the Borrower under the Existing Credit Agreements and for general working capital and corporate purposes, including acquisitions in the industry of Borrower or any of its Material Subsidiaries. Letters of Credit shall be used for the general corporate purposes of Borrower or any of its Material subsidiaries (including covering existing letters of credit issued under the Borrower's Existing Credit Agreements) or as Subsidiary Borrowing Letters of Credit.

SECTION 2.04. Competitive Bid Procedure. (a) In order to request Competitive Bids, the Borrower shall hand deliver or telecopy (or deliver by comparable means) to the Administrative Agent a duly completed Competitive Bid Request in the form of Exhibit A-1, to be received by the Administrative Agent (i) in the case of a LIBOR Competitive Borrowing, not later than 11:00 a.m., New York City time, four Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 11:00 a.m., New York City time, one Business Day before a proposed Competitive Borrowing. No ABR Loan shall be requested in, or made pursuant to, a Competitive Bid Request. A Competitive Bid Request that does not conform substantially to the format of Exhibit A-1 may be rejected in the Administrative Agent's sole discretion, and the Administrative Agent shall promptly notify the Borrower of such rejection by telecopier or in a comparable manner. Such request shall in each case refer to this Agreement and specify (i) whether the Borrowing then being requested is to be a LIBOR Borrowing or a Fixed Rate Borrowing, (ii) the date of such Borrowing (which shall be a Business Day) and the aggregate principal amount thereof, which shall be in an aggregate amount that is at least $5,000,000 and, in an integral multiple of $1,000,000, and (iii) the Interest Period with respect thereto (which may not end after the Maturity Date). Promptly after its receipt of a Competitive Bid Request that is not rejected as aforesaid, the Administrative Agent shall invite by telecopier in the form set forth in Exhibit A-2, or in a comparable manner, the Banks to bid, on the terms and subject to the conditions of this Agreement, to make Competitive Loans pursuant to the Competitive Bid Request.

(b) Each Bank may, in its sole discretion, make one or more Competitive Bids to the Borrower responsive to a Competitive Bid Request. Each Competitive Bid by a Bank must be received by the Administrative Agent via telecopier (or in a comparable manner), in the form of Exhibit A-3, (i) in the case of a LIBOR Competitive Borrowing, not later than 10:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 10:30 a.m., New York City time, on the day of a proposed Competitive Borrowing. Multiple bids will be accepted by the Administrative Agent. Competitive Bids that do not conform substantially to the format of Exhibit A-3 may be rejected by the Administrative Agent after conferring with, and upon the instruction of, the Borrower, and the Administrative Agent shall notify the Bank making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid shall refer to this Agreement and specify (i) the principal amount (which shall be a minimum principal amount of $5,000,000 and an integral multiple of $1,000,000 and which may equal the entire principal amount of the Competitive Borrowing requested by the Borrower) of the Competitive Loan or Loans that the Bank is willing to make to the Borrower, (ii) the Competitive Bid Rate or Rates at which the Bank is prepared to make the Competitive Loan or Loans and (iii) the Interest Period and the last day thereof. If any Bank shall elect not to make a Competitive Bid, such Bank shall so notify the Administrative Agent via telecopier or in a comparable manner (i) in the case of LIBOR Competitive Loans, not later than 10:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii) in the case of Fixed Rate Loans, not later than 10:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that failure by any Bank to give such notice shall not cause such Bank to be obligated to make any Competitive Loan as part of such Competitive Borrowing. A Competitive Bid submitted by a Bank pursuant to this paragraph (b) shall be irrevocable.

(c) The Administrative Agent shall promptly notify the Borrower by telecopier, or in a comparable manner, of all the Competitive Bids made, the Competitive Bid Rate and the principal amount of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Bank that made each bid. The Administrative Agent shall send a copy of all Competitive Bids to the Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.04.

(d) The Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (b) above. The Borrower shall notify the Administrative Agent by telephone, confirmed by telecopier, or in a comparable manner, in the form of a Competitive Bid Accept/Reject Letter in the form of Exhibit A-4, whether and to what extent it has decided to accept or reject any of or all the bids referred to in paragraph (b) above, (i) in the case of a LIBOR Competitive Borrowing, not later than 11:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 11:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that (A) the failure by the Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph (b) above, (B) the Borrower shall not accept a bid made at a particular Competitive Bid Rate if the Borrower has decided to reject a bid made at a lower Competitive Bid Rate, (C) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (D) if

the Borrower shall accept a bid or bids made at a particular Competitive Bid Rate but the amount of such bid or bids shall cause the total amount of bids to be accepted by the Borrower to exceed the amount specified in the Competitive Bid Request, then the Borrower shall accept a portion of such bid or bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted at lower Competitive Bid Rates with respect to such Competitive Bid Request (it being understood that acceptance, in the case of multiple bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such bid at such Competitive Bid Rate) and (E) except pursuant to clause (D) above, no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in an aggregate amount that is at least $5,000,000 and an integral multiple of $1,000,000, provided further, however, that if a Competitive Loan must be in an amount less than $5,000,000 because of the provisions of clause (D) above, such Competitive Loan may be in an aggregate amount that is at least $1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to clause (D) the amounts shall be rounded to integral multiples of $1,000,000 in a manner that shall be in the discretion of the Borrower. A notice given by the Borrower pursuant to this paragraph (d) shall be irrevocable.

(e) The Administrative Agent shall promptly notify each bidding Bank whether its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by telecopy, or in a comparable manner, sent by the Administrative Agent, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan in respect of which its bid has been accepted.

(f) A Competitive Bid Request shall not be made within four Business Days after the date of any previous Competitive Bid Request.

(g) If the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Bank, it shall submit such bid directly to the Borrower one quarter of an hour earlier than the latest time at which the other Banks are required to submit their bids to the Administrative Agent pursuant to paragraph (b) above.

(h) All notices required by this Section 2.04 shall be given in accordance with Section 10.01.

(i) Notwithstanding any other provisions of this Agreement, the Borrower shall not be entitled to request any Competitive Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date and each Competitive Borrowing shall be due and payable on the last day of the Interest Period applicable thereto.

SECTION 2.05. Revolving Credit Borrowing Procedure. In order to effect a Revolving Credit Borrowing or the continuation or conversion of an Interest Rate Type applicable thereto, the Borrower shall hand deliver or telecopy (or deliver by comparable means) to the Administrative Agent a Borrowing notice in the form of Exhibit A-5 (a) in the case of a LIBOR Revolving Credit Borrowing or the continuation or conversion of an Interest Rate Type applicable thereto, not later than 12:00 noon, New York City time, three Business Days before a proposed Borrowing or before the last day of the Interest Period applicable to a Revolving Credit Borrowing for which the Interest Rate Type is to be continued or converted, and (b) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the day of a proposed Borrowing. No Fixed Rate Loan or LIBOR Competitive Loan shall be requested or made pursuant to a Revolving Credit Borrowing Request. Such notice shall be irrevocable and shall in each case specify (a) whether the Borrowing then being requested is to be, or the Borrowing with respect to which the Interest Rate Type is being continued or converted is, a LIBOR Revolving Credit Borrowing or an ABR Borrowing, (b) whether such Borrowing is to be in Dollars or an Alternate Currency (and if in an Alternate Currency, such Alternate Currency), (c) the date of such Revolving Credit Borrowing or continuation or conversion (which shall be a Business Day) and the amount thereof in Dollars (notwithstanding that the request may be for a Borrowing in an Alternate Currency) and (d) if such Borrowing is to be a LIBOR Revolving Credit Borrowing or if the Borrowing with respect to which the Interest Rate Type being continued or converted is a LIBOR Revolving Credit Borrowing, the Interest Period with respect thereto (which may not end after the Maturity Date). If no election as to the Interest Rate Type of Revolving Credit Borrowing is specified in any such notice, then the requested Revolving Credit Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any LIBOR Revolving Credit Borrowing is specified in any such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. If the Borrower shall not have given notice in accordance with this Section 2.05 of its election to continue or convert the Interest Rate Type for a Revolving Credit Borrowing prior to the end of the Interest Period in effect for such Borrowing, then (a) in the case of a Borrowing in Dollars, the Borrower shall (unless such Borrowing is repaid at the end of such Interest Period) be deemed to have given notice of an election to continue or convert, as the case may be, such Borrowing as an ABR Borrowing and (b) in the case of a Borrowing in an Alternate Currency, such Borrowing shall be due and payable at the end of such Interest Period. The Administrative Agent shall promptly advise the Banks of any notice given pursuant to this Section 2.05 and of each Bank's portion of the requested Borrowing.

SECTION 2.06. Letters of Credit. (a) General. Subject to the terms and conditions set forth herein, the Borrower may request at any time and from time to time during the Availability Period, subject to Subsection 2.06(c), the issuance of Letters of Credit in a form reasonably acceptable to the Administrative Agent and the Issuing Bank denominated in Dollars or an Alternate Currency for its own account for use by Borrower or any Guarantor or as a Subsidiary Borrowing Letter of Credit. In the event of any inconsistency between the terms and conditions of this Agreement and the terms and conditions of any form of letter of credit application or other agreement submitted by the Borrower to, or entered into by the Borrower with, the Issuing Bank relating to any Letter of Credit, the terms and conditions of this Agreement shall control. All Letters of Credit issued, and outstanding as of the date hereof, in connection with any of the Existing Credit Agreements are hereby deemed to be Letters of Credit issued hereunder by an Issuing Bank as of the date hereof.

(b) Notice of Issuance, Amendment, Renewal, Extension; Certain Conditions. To request the issuance of a Letter of Credit (or the amendment, renewal or extension of an outstanding Letter of Credit), the Borrower shall hand deliver or telecopy (or deliver by comparable means) to the Issuing Bank and the Administrative Agent (reasonably in advance of the requested date of issuance, amendment, renewal or extension) a notice requesting the issuance of a Letter of Credit, or identifying the Letter of Credit to be amended, renewed or extended, and specifying the date of issuance, amendment, renewal or extension (which shall be a Business Day), the date on which such Letter of Credit is to expire (which shall comply with paragraph (c) of this Section), the amount of such Letter of Credit, the name and address of the beneficiary thereof and such other information as shall be necessary to prepare, amend, renew or extend such Letter of Credit. If requested by the Issuing Bank, the Borrower also shall submit a letter of credit application on the Issuing Bank's standard form in connection with any request for a Letter of Credit. A Letter of Credit shall be issued, amended, renewed or extended only if (and upon issuance, amendment, renewal or extension of each Letter of Credit the Borrower shall be deemed to represent and warrant that), after giving effect to such issuance, amendment, renewal or extension (i) the LC Exposure shall not exceed the LC Sublimit and in no event shall the Dollar Equivalent of Subsidiary Borrowing Letters of Credit exceed $20,000,000, and (ii) the sum of the total Revolving Credit Exposures plus the aggregate principal amount of outstanding Competitive Loans will not exceed the Total Commitment.

(c) Expiration Date. Each Letter of Credit shall expire at or prior to the close of business at the place of presentation under the relevant Letter of Credit on the earlier of (i) the date one year after the date of the issuance of such Letter of Credit (or, in the case of any renewal or extension thereof, one year after such renewal or extension) and (ii) the date that is five Business Days prior to the Maturity Date, except that each Subsidiary Borrowing Letter of Credit may have an expiration date that extends beyond such one year period for a duration that reflects the foreign Subsidiary borrowing which it facilitates provided, however, that no Subsidiary Borrowing Letter of Credit shall expire later than five days prior to the Maturity Date.[changed to track the Term Sheet]

(d) Participations. By the issuance of a Letter of Credit (or any amendment to a Letter of Credit other than an amendment that extends the expiration date of such Letter of Credit beyond the expiration date as provided by Clause (c) directly above) and without any further action on the part of the Issuing Bank or the Banks, the Issuing Bank hereby grants to each Bank, and each Bank hereby acquires from the Issuing Bank, a participation in such Letter of Credit equal to such Bank's Applicable Commitment Percentage of the aggregate amount available to be drawn under such Letter of Credit. In consideration and in furtherance of the foregoing, each Bank hereby absolutely and unconditionally agrees to pay to the Administrative Agent, for the account of the Issuing Bank, such Bank's Applicable Commitment Percentage of the Dollar Equivalent of the amount of each LC Disbursement made by the Issuing Bank and not reimbursed by the Borrower on the date due as provided in paragraph (e) of this Section, or of any reimbursement payment required to be refunded or rescinded to or for the Borrower for any reason. Each Bank acknowledges and agrees that its obligation to acquire participations pursuant to this paragraph in respect of Letters of Credit is absolute and unconditional and shall not be affected by any circumstance whatsoever, including any amendment, renewal or extension of any Letter of Credit or the occurrence and continuance of a Default or reduction or termination of the Commitments, and that each such payment shall be made without any offset, abatement, withholding or reduction whatsoever.

(e) Reimbursement. If the Issuing Bank shall make any LC Disbursement in respect of a Letter of Credit, the Borrower shall reimburse such LC Disbursement by paying to the Administrative Agent an amount equal to the Dollar Equivalent of the amount of such LC Disbursement not later than 12:00 noon, New York City time, on the date that such LC Disbursement is made, if the Borrower shall have received notice of such LC Disbursement prior to 10:00 a.m., New York City time, on such date, or, if such notice has not been received by the Borrower prior to such time on such date, then not later than 12:00 noon, New York City time, on (i) the Business Day that the Borrower receives such notice, if such notice is received prior to 10:00 a.m., New York City time, on the day of receipt, or (ii) the Business Day immediately following the day that the Borrower receives such notice, if such notice is not received prior to such time on the day of receipt; provided that if the Dollar Equivalent of the amount of such LC Disbursement is not less than $5,000,000, the Borrower may, subject to the conditions to borrowing set forth herein, request in accordance with Section 2.03 that such payment be financed with an ABR Borrowing in an equivalent Dollar amount and, to the extent so financed, the Borrower's obligation to make such payment shall be discharged and replaced by the resulting ABR Borrowing. If the Borrower fails to make such payment at the time set forth above, the Administrative Agent shall notify each Bank of the applicable LC Disbursement, the payment then due from the Borrower in respect thereof and such Bank's Applicable Commitment Percentage thereof. Promptly following receipt of such notice, each Bank shall pay to the Administrative Agent its Applicable Commitment Percentage of the payment then due from the Borrower, in the same manner as provided in Section 2.02 with respect to Loans made by such Bank (and Section 2.02 shall apply, mutatis mutandis, to the payment obligations of the Banks), and the Administrative Agent shall promptly pay to the Issuing Bank the amounts so received by it from the Banks. Promptly following receipt by the Administrative Agent of any payment from the Borrower pursuant to this paragraph, the Administrative Agent shall distribute such payment to the Issuing Bank or, to the extent that Banks have made payments pursuant to this paragraph to reimburse the Issuing Bank, then to such Banks and the Issuing Bank as their interests may appear. Any payment made by a Bank pursuant to this paragraph to reimburse the Issuing Bank for any LC Disbursement (other than the funding of ABR Loans as contemplated above) shall not constitute a Loan and shall not relieve the Borrower of its obligation to reimburse such LC Disbursement.

(f) Obligations Absolute. The Borrower's obligation to reimburse LC Disbursements as provided in paragraph (e) of this Section shall be absolute, unconditional and irrevocable, and shall be performed strictly in accordance with the terms of this Agreement under any and all circumstances whatsoever and irrespective of (i) any lack of validity or enforceability of any Letter of Credit or this Agreement, or any term or provision therein, (ii) any draft or other document presented under a Letter of Credit proving to be forged, fraudulent or invalid in any respect or any statement therein being untrue or inaccurate in any respect, (iii) payment by the Issuing Bank under a Letter of Credit against presentation of a draft or other document that does not comply with the terms of such Letter of Credit, or (iv) any other event or circumstance whatsoever, whether or not similar to any of the foregoing, that might, but for the provisions of this Section, constitute a legal or equitable discharge of, or provide a right of setoff against, the Borrower's obligations hereunder. Neither the Administrative Agent, the Banks nor the Issuing Bank shall have any liability or responsibility by reason of or in connection with the issuance or transfer of any Letter of Credit or any payment or failure to make any payment thereunder

(irrespective of any of the circumstances referred to in the preceding sentence), or any error, omission, interruption, loss or delay in transmission or delivery of any draft, notice or other communication under or relating to any Letter of Credit (including any document required to make a drawing thereunder), any error in interpretation of technical terms or any consequence arising from causes beyond the control of the Issuing Bank. Notwithstanding the foregoing, the Issuing Bank shall not be excused from liability to the Borrower to the extent of any direct damages (as opposed to consequential damages, claims in respect of which are hereby waived by the Borrower to the extent permitted by applicable law) suffered by the Borrower that are caused by the Issuing Bank's failure to exercise care when determining whether drafts and other documents presented under a Letter of Credit comply with the terms thereof. The parties hereto expressly agree that, in the absence of gross negligence or willful misconduct on the part of the Issuing Bank (as finally determined by a court of competent jurisdiction), the Issuing Bank shall be deemed to have exercised care in each such determination. In furtherance of the foregoing and without limiting the generality thereof, the parties agree that, with respect to documents presented which appear on their face to be in substantial compliance with the terms of a Letter of Credit, the Issuing Bank may, in its sole discretion, either accept and make payment upon such documents without responsibility for further investigation, regardless of any notice or information to the contrary, or refuse to accept and make payment upon such documents if such documents are not in strict compliance with the terms of such Letter of Credit.

(g) Disbursement Procedures. The Issuing Bank shall, promptly following its receipt thereof, examine all documents purporting to represent a demand for payment under a Letter of Credit. The Issuing Bank shall promptly notify the Administrative Agent and the Borrower by telephone (confirmed by telecopy or comparable means) of such demand for payment and whether the Issuing Bank has made or will make an LC Disbursement thereunder; provided that any failure to give or delay in giving such notice shall not relieve the Borrower of its obligation to reimburse the Issuing Bank and the Banks with respect to any such LC Disbursement.

(h) Interim Interest. If the Issuing Bank shall make any LC Disbursement, then, unless the Borrower shall reimburse such LC Disbursement in full on the date such LC Disbursement is made, the unpaid amount thereof shall bear interest, for each day from and including the date such LC Disbursement is made to but excluding the date that the Borrower reimburses such LC Disbursement, at the rate per annum then applicable to ABR Loans; provided that, if the Borrower fails to reimburse such LC Disbursement at the applicable time pursuant to paragraph (e) of this Section, then Section 2.11 shall apply. Interest accrued pursuant to this paragraph shall be for the account of the Issuing Bank, except that interest accrued on and after the date of payment by any Bank pursuant to paragraph (e) of this Section to reimburse the Issuing Bank shall be for the account of such Bank to the extent of such payment.

(i) Replacement of the Issuing Bank. The Issuing Bank may be replaced at any time by written agreement among the Borrower, the Administrative Agent, the replaced Issuing Bank and the successor Issuing Bank. The Administrative Agent shall notify the Banks of any such replacement of the Issuing Bank. At the time any such replacement shall become effective, the Borrower shall pay all unpaid fees accrued for the account of the replaced Issuing Bank pursuant to Section 2.08(c). From and after the effective date of any such replacement, (i) the successor Issuing Bank shall have all the rights and obligations of the Issuing Bank under this Agreement with respect to Letters of Credit to be issued thereafter and (ii) references herein to the term "Issuing Bank" shall be deemed to refer to such successor or to any previous Issuing

Bank, or to such successor and all previous Issuing Banks, as the context shall require. After the replacement of an Issuing Bank hereunder, the replaced Issuing Bank shall remain a party hereto and shall continue to have all the rights and obligations of an Issuing Bank under this Agreement with respect to Letters of Credit issued by it prior to such replacement, but shall not be required to issue additional Letters of Credit.

(j) Cash Collateralization.

(A) If any Event of Default shall have occurred and be continuing, on the Business Day that the Borrower receives notice from the Administrative Agent or the Required Banks (or, if the maturity of the Loans has been accelerated, Banks with LC Exposures representing greater than 50% of the total LC Exposure) demanding the deposit of cash collateral pursuant to this paragraph, the Borrower shall deposit in an account with or at the direction of the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Banks, an amount in cash equal to the LC Exposure as of such date (supplemented from time to time immediately upon the occurrence of any currency fluctuation that results in such amount on deposit being less than the LC Exposure) plus any accrued and unpaid interest thereon; provided that the obligation to deposit such cash collateral shall become effective immediately and such deposit shall become immediately due and payable, without demand or other notice of any kind, upon the occurrence of any Event of Default with respect to the Borrower described in clause (g) or (h) of Article VII.

(B) If, on any Reset Date, and solely as a result of currency fluctuations relating to one or more Letters of Credit denominated in an Alternate Currency, the LC Exposure exceeds the LC Sublimit, the Borrower shall deposit in an account with or at the direction of the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Banks, an amount in cash such that the LC Exposure minus the amount so deposited does not exceed the LC Sublimit.

(C) If, on any Reset Date, and solely as a result of currency fluctuations relating to one or more Letters of Credit denominated in an Alternate Currency, the LC Exposure for Subsidiary Borrowing Letters of Credit exceeds $20,000,000, the Borrower shall deposit in an account with or at the direction of the Administrative Agent, in the name of the Administrative Agent and for the benefit of the Banks, an amount in cash such that the LC Exposure for Subsidiary Borrowing Letters of Credit minus the amount so deposited does not exceed $20,000,000.

(D) Each such deposit shall be held by the Administrative Agent as collateral for, and Borrower hereby grants to Agent for the benefit of the Banks and Agent a security interest in and Lien upon such deposit to secure, the payment and performance of the Obligations. The Administrative Agent shall have exclusive dominion and control, including the exclusive right of withdrawal, over such account. Such deposits shall not bear interest other than any interest earned on the investment of such deposits, which investments shall be made at the option and sole discretion of the Administrative Agent and at the Borrower's risk and expense and if any investments of such deposit shall be made, Borrower hereby grants a security interest to Agent for the benefit of the Banks and Agent in all such investment property to secure the payment and performance of the Obligations and Borrower shall do such other things as may be reasonably necessary to provide Agent for the benefit of the Banks and Agent with a first

perfected security interest in such investment property (and Borrower hereby authorizes Agent to file for the benefit of the Banks and Agent, with or without the signature of Borrower, Uniform Commercial Code financing statements with respect to such investment property or deposit); provided that such deposits may be invested only in United States Treasury obligations having a maturity of less than or equal to one year or other comparable money-market instruments. Interest or profits, if any, on such investments shall accumulate in such account. Moneys in such account shall be applied by the Administrative Agent to reimburse the Issuing Bank for LC Disbursements for which it has not been reimbursed and, to the extent not so applied, shall be held for the satisfaction of the reimbursement obligations of the Borrower for the LC Exposure at such time or, if the maturity of the Loans has been accelerated (but subject to the consent of Banks with LC Exposure representing greater than 50.1% of the total LC Exposure), be applied to satisfy other Obligations. If the Borrower is required to provide an amount of cash collateral hereunder as a result of the occurrence of an Event of Default, such amount (to the extent not applied as aforesaid) shall be returned to the Borrower within three Business Days after all Events of Default have been cured or waived and if Borrower is required to provide an amount of cash collateral hereunder as a result of Clause (B) or Clause (C) directly above, such amount (to the extent not applied in accordance with the terms hereof) shall be returned to Borrower within three (3) Business Days after the LC Exposure no longer exceeds the LC Sublimit or after the LC Exposure for Subsidiary Borrowing Letters of Credit no longer exceeds $20,000,000, respectively, as the case may be.

(k) Letters of Credit, Governing Law. Letters of Credit issued hereunder on or after the date hereof shall, except to the extent inconsistent with the express terms thereof, be subject to and incorporate: (i) the Uniform Customs And Practice For Documentary Credits, 1993 Revision, International Chamber of Commerce Publication No.500 (the "UCP") other than Articles 41 and 43 thereof; (ii) to the extent not inconsistent with the UCP, Article 5 of the Uniform Commercial Code as in effect from time to time in New York ("Article 5"); and, (iii) Section 5-102(a)(10) of the 1995 Official Text With Comments of the Uniform Commercial Code Revised Article 5, as promulgated by the American Law Institute And National Conference Of Commissioners On Uniform State Laws ("Revised Article 5"), which Section of Revised Article 5 shall govern and control over any inconsistent provision of the UCP or Article 5.

SECTION 2.07. [Reserved] . [RESERVED]

SECTION 2.08. Fees. (a) The Borrower agrees to pay to each Bank, through the Administrative Agent, on each March 31, June 30, September 30 and December 31 and on the Maturity Date or any earlier date on which the Commitment of such Bank shall have been terminated and the outstanding Loans of such Bank have been repaid in full, a facility fee (a "Facility Fee") on the Commitment of such Bank, whether used or unused, and, after the Commitment of such Bank shall have been terminated, on the outstanding principal amount of such Bank's Revolving Credit Exposure, during the quarter ending on the date such payment is due (or shorter period commencing with the date hereof or ending with the Maturity Date or any earlier date on which the Commitments shall have been terminated and the outstanding Revolving Credit Exposure of such Bank eliminated), at the Applicable Percentage from time to time in effect. All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Facility Fee due to each Bank shall commence to accrue on the Closing Date and shall cease to accrue on the Maturity Date or any earlier date on which the Commitment of such Bank shall have been terminated and the outstanding Revolving Credit Exposure of such Bank eliminated.

(b) The Borrower agrees to pay to each Bank, through the Administrative Agent, on each March 31, June 30, September 30, December 31 and on the Maturity Date or any earlier date on which the Commitment of such Bank shall have terminated and the outstanding Loans of such Bank have been repaid in full, a usage fee (a "Usage Fee") at a rate per annum equal to the Applicable Percentage from time to time in effect on the aggregate amount of such Bank's Credit Exposure for each day on which the aggregate Credit Exposure of all Banks shall be greater than fifty percent (50%) of the total Commitments. All Usage Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay the Administrative Agent, for its own account, the fees provided for in the Fee Letter.

(d) The Borrower agrees to pay (i) to the Administrative Agent for the account of each Bank a participation fee with respect to its participations in Letters of Credit, which shall accrue at the Applicable Percentage used in determining the "Drawn Cost", on the average daily amount of such Bank's LC Exposure (excluding any portion thereof attributable to unreimbursed LC Disbursements) during the period from and including the Effective Date to but excluding the later of the date on which such Bank's Commitment terminates and the date on which such Bank ceases to have any LC Exposure, and (ii) to the Issuing Bank, the Issuing Bank's standard fees with respect to the issuance, amendment, renewal or extension of any Letter of Credit or processing of drawings thereunder. Participation fees and fronting fees shall be payable on each March 31, June 30, September 30 and December 31, commencing on the first such date to occur after the Effective Date; provided that all such fees shall be payable on the date on which the Commitments terminate and any such fees accruing after the date on which the Commitments terminate shall be payable on demand. Any other fees payable to the Issuing Bank pursuant to this paragraph shall be payable within 10 days after demand. All participation fees and other fees relating to Letters of Credit set forth in any Fundamental Document shall be calculated with respect to the Dollar Equivalent amount of such Letters of Credit and shall be computed on the basis of a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(e) All fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent (or to the Issuing Bank, in the case of fees payable to it) for distribution, if and as appropriate, among the Banks. Once paid, none of the fees shall be refundable under any circumstances.

SECTION 2.09. Notes; Repayment of Loans. The Competitive Loans made by each Bank shall be evidenced by a single Competitive Note duly executed on behalf of the Borrower, dated the Closing Date, in substantially the form attached hereto as Exhibit B-1 with the blanks appropriately filled, payable to the order of such Bank in a principal amount equal to the Total Commitment. The Revolving Credit Loans made by each Bank shall be evidenced by a single Revolving Credit Note duly executed on behalf of the Borrower, dated the Closing Date, in substantially the form attached hereto as Exhibit B-2 with the blanks appropriately filled, payable to the order of such Bank in a principal amount equal to the Commitment of such Bank. The outstanding principal balance of each Competitive Loan or Revolving Credit Loan, as evidenced by the relevant Note, shall be payable (a) in the case of a Competitive Loan, on the last day of the Interest Period applicable to

such Competitive Loan and on the Maturity Date and (b) in the case of a Revolving Credit Loan, on the Maturity Date in the currency of such Loan. Each Competitive Note and each Revolving Credit Note shall bear interest from the date thereof on the outstanding principal balance thereof as set forth in Section 2.10. Each Bank shall, and is hereby authorized by the Borrower to, endorse on the schedule to the relevant Note held by such Bank (or on a continuation of such schedule attached to each such Note and made a part thereof), or otherwise to record in such Bank's internal records, an appropriate notation evidencing the date, currency and amount of each Competitive Loan or Revolving Credit Loan, as applicable, of such Bank, each payment or prepayment of principal of any Competitive Loan or Revolving Credit Loan, as applicable, and the other information provided on such schedule; provided, however, that the failure of any Bank to make such a notation or any error therein shall not in any manner affect the obligation of the Borrower to repay the Competitive Loans or Revolving Credit Loans, as applicable, made by such Bank in accordance with the terms of the relevant Note.

SECTION 2.10. Interest on Loans. (a) Subject to the provisions of Sections 2.11 and 2.12, the Loans comprising each LIBOR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days, provided that, for Loans comprising LIBOR Borrowings denominated in an Alternate Currency for which a 365-day basis is the only market practice available, interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be) at a rate per annum equal to (i) in the case of each LIBOR Revolving Credit Loan, LIBOR for the Interest Period in effect for such Borrowing plus the Applicable Percentage and (ii) in the case of each LIBOR Competitive Loan, LIBOR for the Interest Period in effect for such Borrowing plus the Margin offered by the Bank making such Loan and accepted by the Borrower pursuant to Section 2.04.

(b) Subject to the provisions of Section 2.11, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) at a rate per annum equal to the Alternate Base Rate.

(c) Subject to the provisions of Section 2.11, each Fixed Rate Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the fixed rate of interest offered by the Bank making such Loan and accepted by the Borrower pursuant to Section 2.04.

(d) Interest on each Loan shall be payable on each Interest Payment Date applicable to such Loan in the currency of such Loan. The LIBOR or the Alternate Base Rate for each Interest Period or day within an Interest Period shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(e) The Applicable Percentage shall be determined based on the Debt Rating.

(f) Borrower may call Administrative Agent on or before the date on which a Revolving Credit Borrowing Request is to be delivered to receive an indication of the interest rates and applicable Alternate Currency exchange rates then in effect, but it is acknowledged that such indication shall not be binding on Administrative Agent or the Banks nor affect the rate of interest or the calculation of exchange rates which thereafter are actually in effect when the request is made.

SECTION 2.11. Interest on Overdue Amounts. If the Borrower shall default in the payment of the principal of or interest on any Loan or any other amount becoming due hereunder, the Borrower shall on demand from time to time pay interest, to the extent permitted by law, on such defaulted amount up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as applicable, in the case of amounts bearing interest determined by reference to the Prime Rate (and a year of 360 days in all other cases) equal to (a) in the case of any Loan, the rate applicable to such Loan under Section 2.10 plus 2% per annum and (b) in the case of any other amount, the rate that would at the time be applicable to an ABR Loan under Section 2.10 plus 2% per annum.

SECTION 2.12. Alternate Rate of Interest. In the event, and on each occasion, that prior to the commencement of any Interest Period for a LIBOR Borrowing, the Administrative Agent shall have determined that deposits in the applicable currency in the amount of the requested principal amount of such LIBOR Borrowing are not generally available in the London interbank market, or that the rate at which such deposits are being offered will not adequately and fairly reflect the cost to any Bank of making or maintaining such LIBOR Loans during such Interest Period, or that reasonable means do not exist for ascertaining the LIBOR Rate, the Administrative Agent shall, as soon as practicable thereafter, give written or telecopier or comparable notice of such determination to the Borrower and the Banks. In the event of any such determination, until the Administrative Agent shall have determined that circumstances giving rise to such notice no longer exist, (a) any request by the Borrower for a LIBOR Competitive Borrowing pursuant to Section 2.04, and any request for a LIBOR Revolving Credit Borrowing in an Alternate Currency, shall be of no force and effect and shall be denied by the Administrative Agent and (b) any request by the Borrower for a LIBOR Revolving Credit Borrowing in Dollars pursuant to Section 2.05 shall be deemed to be a request for an ABR Loan. Each determination by the Administrative Agent hereunder shall be conclusive absent manifest error; provided, however, that if a determination is made that dollar deposits in the amount of the requested principal amount of such LIBOR Borrowing are not generally available in the London interbank market, or that the rate at which such dollar deposits are being offered will not adequately and fairly reflect the cost to any Bank of making or maintaining such LIBOR Loans during such Interest Period, or that reasonable means do not exist for ascertaining the LIBOR Rate, the Administrative Agent shall promptly notify the Borrower of such determination in writing and the Borrower may, by notice to the Administrative Agent given within 24 hours of receipt of such notice, withdraw the request for the LIBOR Competitive Borrowing or the LIBOR Revolving Credit Borrowing, as applicable.

SECTION 2.13. Termination, Reduction, and Increase of Commitments. (a) The Commitments shall be automatically terminated on the earlier of (i) the Maturity Date or (ii) 30 days after the date hereof if the Closing Date has not occurred.

(b) Subject to Section 2.14(b), upon at least three Business Days' prior irrevocable written or telecopy notice to the Administrative Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Total Commitment; provided, however, that (i) each partial reduction of the Total Commitment shall be in an integral multiple of $1,000,000 and in a minimum principal amount of $10,000,000 and (ii) the Borrower shall not be entitled to make any such termination or reduction that would reduce the Total Commitment to an amount less than the aggregate outstanding principal amount of the Competitive Loans.

(c) Each reduction in the Total Commitment hereunder shall be made ratably among the Banks in accordance with their respective Commitments. The Borrower shall pay to the Administrative Agent for the account of the Banks on the date of each termination or reduction (in the case of a reduction, the "Reduction Date"), the Facility Fees on the amount of the Commitments so terminated or reduced accrued to the date of such termination or reduction.

(d) The Borrower may from time to time, and notwithstanding any prior reductions in the Total Commitment by the Borrower, by notice to the Administrative Agent (which shall promptly deliver a copy to each of the Banks), request that the Total Commitment be increased by an amount that is not less than $25,000,000 and will not result in the Total Commitment under this Agreement and the Facility A Credit Agreement exceeding $575,000,000 in the aggregate. Each such notice shall set forth the requested amount of the increase in the Total Commitment and the date on which such increase is to become effective (which shall be not fewer than 20 days after the date of such notice), and shall offer each Bank the opportunity to increase its Commitment by its ratable share, based on the amounts of the Banks' Commitments, of the requested increase in the Total Commitment. Each Bank shall, by notice to the Borrower and the Administrative Agent given not more than 15 Business Days after the date of the Borrower's notice, either agree to increase its Commitment by all or a portion of the offered amount or decline to increase its Commitment (and any Bank that does not deliver such a notice within such period of 15 Business Days shall be deemed to have declined to increase its Commitment); provided, however, that no Bank may agree to increase its Commitment hereunder unless it shall have agreed to ratably increase its Commitment under the Facility A Credit Agreement (if the Facility A Credit Agreement is then in effect). In the event that, on the 15th Business Day after the Borrower shall have delivered a notice pursuant to the first sentence of this paragraph, the Banks shall have agreed pursuant to the preceding sentence to increase their Commitments by an aggregate amount less than the increase in the Total Commitment requested by the Borrower, the Borrower shall have the right to arrange for one or more banks or other financial institutions (any such bank or other financial institution being called an "Augmenting Bank"), which may include any Bank, to extend Commitments or increase their existing Commitments in an aggregate amount equal to all or part of the unsubscribed amount; provided that each Augmenting Bank, if not already a Bank hereunder, shall be subject to the approval of the Borrower and the Administrative Agent (which approval shall not be unreasonably withheld) and shall execute all such documentation as the Administrative Agent shall specify to evidence its status as a Bank hereunder. If (and only if) Banks (including Augmenting Banks) shall have agreed to increase their Commitments or to extend new Commitments in an aggregate amount not less than $25,000,000, such increases and such new Commitments shall become effective on the date specified in the notice delivered by the Borrower pursuant to the first sentence of this paragraph, and shall be deemed added to the Commitments set forth in Schedule 2.01 hereof. Notwithstanding the foregoing, no increase in the Total Commitment (or in the Commitment of any Bank) shall become effective under this paragraph unless, on the date of such increase, (i) the conditions set forth in paragraphs (b) and (c) of Section 4.01 shall be satisfied (with all references in such paragraphs to a Borrowing being deemed to be references to such increase) and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower and (ii) on the effective date of such increase the Total Commitment under and as defined in the Facility A Credit Agreement shall be proportionately increased (if the Facility A Credit Agreement is then in effect) in accordance with the terms of such Agreement. Following any increase in the Commitments of any of the Banks pursuant to this paragraph, any Revolving Credit Loans outstanding prior to the effectiveness of such increase shall continue outstanding until the ends of the respective interest periods applicable thereto, and shall then be repaid or refinanced with new Revolving Credit Loans made pursuant to Sections 2.01 and 2.05.

SECTION 2.14. Prepayment of Loans. (a) Prior to the Maturity Date the Borrower shall have the right at any time to prepay any Revolving Credit Borrowing, or, with the consent of the particular Bank or Banks to receive the prepayment, any Competitive Borrowing (which consent may be withheld in such Bank's or Banks' sole discretion), in whole or in part, subject to the requirements of Section 2.18 and 2.19 but otherwise without premium or penalty, upon prior written or telecopy notice to the Administrative Agent before 12:00 noon, New York City time, at least one Business Day prior to such prepayment in the case of an ABR Loan and at least three Business Days prior to such prepayment in the case of a LIBOR Loan or Fixed Rate Loan; provided, however, that each such partial prepayment shall be in a minimum aggregate principal amount of $5,000,000 (or the Dollar Equivalent thereof) and, in the case of a Borrowing denominated in Dollars, an integral multiple of $1,000,000. In all instances under this Agreement, each payment and prepayment of any Loan shall be made in the currency in which such Loan was made.

(b) On the date of any termination or reduction of the Total Commitment pursuant to Section 2.13, the Borrower shall pay or prepay so much of the Revolving Credit Loans as shall be necessary in order that the aggregate Credit Exposures will not exceed the Total Commitment following such termination or reduction. Subject to the foregoing, any such payment or prepayment shall be applied to such Borrowing or Borrowings as the Borrower shall select. All prepayments under this Section 2.14(b) shall be subject to Sections 2.18 and 2.19.

(c) On the earlier of any Reset Date or the last day of any Interest Period when the aggregate Credit Exposures (after giving effect to any Borrowings effected on such date) exceed the Total Commitment minus any cash collateral received by the Administrative Agent pursuant to Section 2.06(j), the Borrower shall make a mandatory prepayment of the Revolving Credit Loans in such amount as may be necessary to eliminate such excess. Any prepayments required by this paragraph shall be applied to outstanding ABR Loans up to the full amount thereof before they are applied to outstanding LIBOR Revolving Credit Loans.

(d) Each notice of prepayment shall specify the specific Borrowing, the prepayment date and the aggregate principal amount of each Borrowing to be prepaid and the currency thereof, shall be irrevocable and shall commit the Borrower to prepay such Borrowing by the amount stated therein. All prepayments under this Section 2.14 shall be accompanied by accrued interest on the principal amount being prepaid to the date of prepayment.

SECTION 2.15. Eurodollar Reserve Costs. The Borrower shall pay to the Administrative Agent for the account of each Bank, so long as such Bank shall be required under regulations of the Board to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (as defined in Regulation D), additional interest on the unpaid principal amount of each LIBOR Loan made to the Borrower by such Bank, from the date of such Loan until such Loan is paid in full, at an interest rate per annum equal at all times during the Interest Period for such Loan to the remainder obtained by subtracting (i) LIBOR for such Interest Period from (ii) the rate obtained by multiplying LIBOR as referred to in clause (i) above by the Statutory Reserves of such Bank for such Interest Period. Such additional interest shall be determined by such Bank and notified to the Borrower (with a copy to the Administrative Agent) not later than five Business Days before the next Interest Payment Date for such Loan, and such additional interest so notified to the Borrower by any Bank shall be payable to the Administrative Agent for the account of such Bank on each Interest Payment Date for such Loan.

SECTION 2.16. Reserve Requirements; Change in Circumstances. (a) Notwithstanding any other provision herein, if any Change in Law (i) shall subject any Bank (for purposes of this Section 2.16, the defined term "Bank" shall be deemed to include as applicable the Issuing Bank) to, or increase the net amount of, any tax, levy, impost, duty, charge, fee, deduction or withholding with respect to any LIBOR Loan, Fixed Rate Loan, or Letter of Credit, or shall change the basis of taxation of payments to any Bank of the principal of or interest on any LIBOR Loan, Fixed Rate Loan, or Letter of Credit made by such Bank or any other fees or amounts payable hereunder (other than (x) taxes imposed on the overall net income of such Bank by the jurisdiction in which such Bank has its principal office or by any political subdivision or taxing authority therein (or any tax which is enacted or adopted by such jurisdiction, political subdivision or taxing authority as a direct substitute for any such taxes) or (y) any tax, assessment, or other governmental charge that would not have been imposed but for the failure of any Bank to comply with any certification, information, documentation or other reporting requirement), (ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (other than requirements as to which the Borrower is obligated to make payments pursuant to Section 2.15) against assets of, deposits with or for the account of, or credit extended by, such Bank, or (iii) shall impose on such Bank or the London interbank market any other condition affecting this Agreement or any LIBOR Loan, Fixed Rate Loan, or Letter of Credit made by such Bank, and the result of any of the foregoing shall be to increase the cost to such Bank of issuing, participating in, making or maintaining any LIBOR Loan, Fixed Rate Loan, or Letter of Credit, as the case may be, or to reduce the amount of any sum received or receivable by such Bank hereunder (whether of principal, interest or otherwise) in respect thereof by an amount deemed in good faith by such Bank to be material, then the Borrower shall pay such additional amount or amounts as will compensate such Bank for such increase or reduction to such Bank upon demand by such Bank.

(b) If, after the date of this Agreement, any Bank shall have determined in good faith that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Bank's capital or on the capital of the Bank's holding company (or any lending office of such Bank), if any, as a consequence of its obligations hereunder to a level below that which such Bank (or holding company or office) could have achieved but for such Change in Law (taking into consideration such Bank's policies or the policies of its holding company, as the case may be, with respect to capital adequacy) by an amount deemed by such Bank to be material, then, from time to time, the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank (or holding company or office) for such reduction upon demand by such Bank.

(c) A certificate of a Bank setting forth in reasonable detail (i) such amount or amounts as shall be necessary to compensate such Bank (or participating banks or other entities pursuant to Sections 2.06 and 2.24) as specified in paragraph (a) or (b) above, as the case may be, and (ii) the calculation of such amount or amounts under clause (c)(i), shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Bank the amount shown as due on any such certificate within 30 days after its receipt of the same.

(d) Failure on the part of any Bank to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any Interest Period shall not constitute a waiver of such Bank's rights to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to such Interest Period or any other Interest Period. The protection of this Section 2.16 shall be available to each Bank regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which shall have been imposed.

SECTION 2.17. Change in Legality. (a) Notwithstanding anything to the contrary herein contained, if any Change in Law shall make it unlawful for any Bank to make or maintain any LIBOR Loan or to give effect to its obligations to make LIBOR Loans as contemplated hereby, then, by written notice to the Borrower and to the Administrative Agent, such Bank may:

(i) declare that LIBOR Loans will not thereafter be made by such Bank hereunder, whereupon such Bank shall not submit a Competitive Bid in response to a request for LIBOR Competitive Loans and the Borrower shall be prohibited from requesting LIBOR Revolving Credit Loans from such Bank hereunder unless such declaration is subsequently withdrawn; and

(ii) require that all outstanding LIBOR Loans made by it and denominated in Dollars be converted to ABR Loans, in which event (A) all such LIBOR Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in Section 2.17(b) and (B) all payments and prepayments of principal which would otherwise have been applied to repay the converted LIBOR Loans shall instead be applied to repay the ABR Loans resulting from the conversion of such LIBOR Loans.

(iii)declare all outstanding LIBOR Loans made by it and denominated in an Alternate Currency due and payable in full.

(b) For purposes of this Section 2.17, a notice to the Borrower by any Bank pursuant to Section 2.17(a) shall be effective on the date of receipt thereof by the Borrower.

(c) Notwithstanding the foregoing, if the affected Bank can continue to offer LIBOR Loans by transferring LIBOR Loans to another existing lending office of such Bank, such Bank agrees to so transfer the LIBOR Loans unless doing so would, in its good faith judgment, subject it to any expense or liability or be otherwise disadvantageous to it.

SECTION 2.18. Indemnity. The Borrower shall indemnify each Bank against any loss or reasonable expense which such Bank may sustain or incur as a consequence of (u) the assignment of any LIBOR Loan or Fixed Rate Loan other than on the last day of the Interest Period applicable thereto, (v) any failure by the Borrower to fulfill on the date of any Borrowing hereunder the applicable conditions set forth in Article IV, (w) any failure by the Borrower to borrow, convert, continue, or prepay hereunder after a notice thereof pursuant to Article II has been given (regardless whether such notice may be revoked hereunder), (x) any payment, prepayment or conversion of a LIBOR Loan or Fixed

Rate Loan (including as a result of an Event of Default) made on a date other than the last day of the applicable Interest Period, (y) any default in the payment or prepayment of the principal amount of any Loan or any part thereof or interest accrued thereon, as and when due and payable (at the due date thereof, by notice of prepayment or otherwise), or (z) the occurrence of any Event of Default, including in any such event any loss or reasonable expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Loan or any part thereof as a LIBOR Loan or a Fixed Rate Loan. Such loss or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by each Bank of (i) its cost of obtaining the funds for the Loan being paid, prepaid or converted or not borrowed (based on LIBOR or, in the case of a Fixed Rate Loan, the fixed rate of interest applicable thereto) for the period from the date of such payment, prepayment or conversion or failure to borrow to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for the Loan which would have commenced on the date of such failure to borrow) over (ii) the amount of interest (as reasonably determined by such Bank) that would be realized by such Bank in re-employing the funds so paid, prepaid or converted or not borrowed for such period or Interest Period, as the case may be. A certificate of each Bank setting forth any amount or amounts which such Bank is entitled to receive pursuant to this Section 2.18 shall be delivered to the Borrower and shall be conclusive, if made in good faith, absent manifest error. The Borrower shall pay each Bank the amount shown as due on any certificate containing no manifest error within 30 days after its receipt of the same.

SECTION 2.19. Pro Rata Treatment. Except as permitted under Sections 2.13, 2.15 and 2.17 with respect to interest, (i) each Revolving Credit Borrowing, each payment or prepayment of principal of any Revolving Credit Borrowing, each payment of interest on the Revolving Credit Loans, each payment of the Facility Fees, each reduction of the Commitments and each refinancing of any Borrowing with, conversion of any Borrowing to or continuation of any Borrowing as a Revolving Credit Borrowing of any Interest Rate Type shall be allocated pro rata among the Banks in accordance with their respective Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amount of their outstanding Revolving Credit Loans). Each payment of principal of any Competitive Borrowing shall be allocated pro rata among the Banks participating in such Borrowing in accordance with the respective principal amounts of their outstanding Competitive Loans comprising such Borrowing. Each payment of interest on any Competitive Borrowing shall be allocated pro rata among the Banks participating in such Borrowing in accordance with the respective amounts of accrued and unpaid interest on their outstanding Competitive Loans comprising such Borrowing. For purposes of determining the available Commitments of the Banks at any time, each outstanding Competitive Borrowing shall be deemed to have utilized the Commitments of the Banks (including those Banks that shall not have made Loans as part of such Competitive Borrowing) pro rata in accordance with such respective Commitments. Each Bank agrees that in computing such Bank's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Bank's percentage of such Borrowing computed in accordance with Section 2.01, to the next higher or lower whole dollar amount (or amount in the basic unit of the applicable Alternate Currency).

SECTION 2.20. Right of Setoff. If any Event of Default shall have occurred and be continuing, each Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of the Borrower against any of and all the Obligations now or hereafter existing under this Agreement and the Notes held by such Bank, irrespective of whether or not such Bank shall have made any demand under this Agreement or such Notes and although such obligations may be unmatured. Each Bank agrees promptly to notify the Borrower after any such setoff and application made by such Bank, but the failure to give such notice shall not affect the validity of such setoff and application. The rights of each Bank under this Section 2.20 are in addition to other rights and remedies (including other rights of setoff) which such Bank may have.

SECTION 2.21. Sharing of Setoffs. Each Bank agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower including, but not limited to, a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Bank under any applicable bankruptcy, insolvency or other similar law or otherwise, obtain payment (voluntary or involuntary) in respect of any Revolving Credit Note held by it (it being understood that each Bank shall be permitted to exercise any such right with respect to any obligation of the Borrower to it other than the Revolving Credit Notes prior to the exercise of such right with respect to any Revolving Credit Note) as a result of which the unpaid principal portion of all the Revolving Credit Notes held by it shall be proportionately less than the unpaid principal portion of all the Revolving Credit Notes held by any other Bank, it shall be deemed to have simultaneously purchased from such other Bank a participation in each Revolving Credit Note held by such other Bank, so that the aggregate unpaid principal amount of each Revolving Credit Note and participations in each Revolving Credit Note held by each Bank shall be in the same proportion to the aggregate unpaid principal amount of all the Revolving Credit Notes then outstanding as the principal amount of all the Revolving Credit Notes held by it prior to such exercise of banker's lien, setoff or counterclaim was to the principal amount of all Revolving Credit Notes outstanding prior to such exercise of banker's lien, setoff or counterclaim; provided, however, that if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.21 and the payment recovered by a Bank giving rise thereto shall thereafter be recovered from such Bank, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustments paid by such Bank restored to such Bank without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Bank holding a participation in a Revolving Credit Note deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim to the extent of the participation so purchased in such Revolving Credit Note with respect to any and all moneys owing by the Borrower as fully as if such Bank had made a Loan directly to the Borrower in the amount of the participation.

SECTION 2.22. Payments. The Borrower shall make each payment hereunder and under any instrument delivered hereunder not later than 12:00 noon, New York City time, on the day when due in lawful money of the United States (in freely transferable dollars) to the Administrative Agent at its offices set forth on Schedule 2.01 therefor for the account of the Banks, in federal or other immediately available funds; provided, however that each payment of principal and interest under any Loan made in an

Alternate Currency shall be made in immediately available funds in the currency in which such Loan was made. Any payment received after such time on any day shall be deemed to be received on the next Business Day. The Administrative Agent shall remit each Bank's portion of the Borrower's payment to such Bank promptly after receipt thereof. Except as set forth in the definition of "Interest Period" as applied to LIBOR Loans, if any payment to be made hereunder or under any Note becomes due and payable on a day other than a Business Day, such payment may be made on the next succeeding Business Day and such extension of time shall in such case be included in computing interest, if any, in connection with such payment.

SECTION 2.23. United States Withholding. Each Bank or assignee or participant of a Bank that is not incorporated under the Laws of the United States of America or a state thereof (and, upon the written request of the Administrative Agent, each other Bank or assignee or participant of a Bank) agrees that it will deliver to each of the Borrower and the Administrative Agent two (2) duly completed appropriate valid Withholding Certificates (as defined under ss.1.1441-1(c)(16) of the Income Tax Regulations promulgated under the Code ("Regulations")) certifying its status (i.e., U.S. or foreign person) and, if appropriate, making a claim of reduced, or exemption from, U.S. withholding tax on the basis of an income tax treaty or an exemption provided by the Code. The term "Withholding Certificate" means a Form W-9; a Form W-8BEN; a Form W-8ECI; a Form W-8IMY and the related statements and certifications as required under ss.1.1441-1(e)(3) of the Regulations; a statement described in ss.1.871-14(c)(2)(v) of the Regulations; or any other certificates under the Code or Regulations that certify or establish the status of a payee or beneficial owner as a U.S. or foreign person. Each Bank, assignee or participant required to deliver to the Borrower and the Administrative Agent a valid Withholding Certificate pursuant to the preceding sentence shall deliver such valid Withholding Certificate as follows: (A) each Bank which is a party hereto on the Closing Date shall deliver such valid Withholding Certificate at least five (5) Business Days prior to the first date on which any interest or fees are payable by the Borrower hereunder for the account of such Bank; (B) each assignee or participant shall deliver such valid Withholding Certificate at least five (5) Business Days before the effective date of such assignment or participation (unless the Administrative Agent in its sole discretion shall permit such assignee or participant to deliver such Withholding Certificate less than five (5) Business Days before such date in which case it shall be due on the date specified by the Administrative Agent). Each Bank, assignee or participant which so delivers a valid Withholding Certificate further undertakes to deliver to each of the Borrower and the Administrative Agent two (2) additional copies of such Withholding Certificate (or a successor form) on or before the date that such Withholding Certificate expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent Withholding Certificate so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Borrower or the Administrative Agent. Notwithstanding the submission of a Withholding Certificate claiming a reduced rate of, or exemption from, U.S. withholding tax, the Administrative Agent shall be entitled to withhold United States federal income taxes at the full 30% withholding rate if in its reasonable judgment it is required to do so under the due diligence requirements imposed upon a withholding agent under ss.1.1441-7(b) of the Regulations. Further, the Administrative Agent is indemnified under ss.1.1461-1(e) of the Regulations against any claims and demands of any Bank or assignee or participant of a Bank for the amount of any tax it deducts and withholds in accordance with regulations under ss.1441 of the Code. In the event the Borrower or the Administrative Agent shall so determine that deduction or withholding of taxes is required, it shall advise the affected Bank as to the basis of such determination prior to actually deducting and withholding such taxes.

(b)Each Bank agrees (i) that as between it and the Borrower or the Administrative Agent unless otherwise required by Law, it shall be the Person to deduct and withhold taxes (and to the extent required by Law it shall deduct and withhold taxes) on amounts that such Bank may remit to any other Person(s) by reason of any undisclosed transfer or assignment of an interest in this Agreement to such other Person(s) pursuant to Section 2.24 and (ii) to indemnify the Borrower and the Administrative Agent and any officers, directors, agents, or employees of the Borrower or the Administrative Agent against and to hold them harmless from any tax, interest, additions to tax, penalties, reasonable counsel and accountants' fees, disbursements or payments arising from the assertion by any appropriate taxing authority of any claim against them relating to a failure to withhold taxes as required by law with respect to amounts described in clause (i) of this paragraph (c).

(d) Each assignee of a Bank's interest in this Agreement in conformity with Section 2.24 shall be bound by this Section 2.23, so that such assignee will have all of the obligations and provide all of the forms and statements and all indemnities, representations and warranties required to be given under this Section 2.23.

(e) In the event that any withholding or similar taxes shall become payable as a result of any change in any statute, treaty, ruling, judicial decision, determination or regulation or other change in law (other than a change in the rate of taxes imposed on the overall net income of any Bank) occurring after the Initial Date in respect of any sum payable hereunder or under any other Fundamental Document to any Bank or the Administrative Agent or as a result of any payment being made by a Guarantor organized in or subject to any taxing jurisdiction outside the United States (i) the sum payable by the Borrower shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.23) such Bank or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. For purposes of this Section 2.23, the term "Initial Date" shall mean (i) in the case of the Administrative Agent, the date hereof, (ii) in the case of each Bank as of the date hereof, the date hereof and (iii) in the case of any other Bank, the date of the Assignment and Acceptance pursuant to which it became a Bank.

SECTION 2.24. Participations; Assignments. (a) Each Bank (for purposes of this Section 2.24, the defined term "Bank" shall be deemed to include as applicable the Issuing Bank) may without the consent of the Borrower sell participations to one or more banks or other entities in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it and the Notes held by it); provided, however, that (i) such Bank's obligations under this Agreement shall remain unchanged, (ii) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other entities shall be entitled to the cost protection provisions contained in Section 2.16 and Section 2.18 but shall not be entitled to receive pursuant to such provisions an amount larger than its share of the amount to which the Bank granting such participation would have been entitled and (iv) the Borrower, the Administrative Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement; provided further that each Bank shall retain the sole right and responsibility vis-a-vis the Borrower to enforce the obligations of the Borrower relating to the

Loans or Letters of Credit and shall retain all voting rights, including the right to approve any amendment, modification or waiver of any provision of this Agreement other than amendments, modifications or waivers with respect to any Facility Fees, the amount of principal or the rate of interest payable on, or the maturity of, the Loans or Letters of Credit as applicable to the participating banks or other entities (as to which such participating banks or other entities may be afforded the right to vote).

(b) Each of the Banks may (but only with the prior written consent of the Borrower and the Issuing Bank, which consent shall not be unreasonably withheld, provided that no consent of Borrower shall be required if any Event of Default shall have occurred and be continuing), and (unless the assignee is a bank or trust company with a combined capital and surplus of at least $100,000,000) with the written consent of the Administrative Agent, which consent shall not be unreasonably withheld, assign to one or more banks or other entities all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the same portion of the Revolving Credit Loans at the time owing to it and the Revolving Credit Note held by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of the assigning Bank's rights and obligations under this Agreement, and (ii) the amount of the Commitment of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Bank) shall be either the entire Commitment of such Bank or a portion thereof in a principal amount of $10,000,000 or a larger integral multiple of $1,000,000, and (iii) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register (as defined below), an Assignment and Acceptance, together with any Note or Notes subject to such assignment and a processing and recordation fee of $4,000. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be not earlier than five Business Days after the date of acceptance and recording by the Administrative Agent, (x) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Bank hereunder and under the other Fundamental Documents and (y) the assigning Bank thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of the assigning Bank's rights and obligations under this Agreement, such assigning Bank shall cease to be a party hereto). Notwithstanding the foregoing, any Bank assigning its rights and obligations under this Agreement may retain any Competitive Loans made by it outstanding at such time, and in such case shall retain its rights hereunder in respect of any Loans so retained until such Loans have been repaid in full in accordance with this Agreement.

(c) Notwithstanding the other provisions of this Section 2.24, each Bank may at any time assign all or a portion of its interests, rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the same portion of the Loans at any time owing to it and the Notes held by it) to (i) any Affiliate of such Bank described in clause (b) of the definition of Affiliate or (ii) any other Bank hereunder.

(d) By executing and delivering an Assignment and Acceptance, the assigning Bank thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, the assigning Bank makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Fundamental Documents or any other instrument or document furnished pursuant hereto or thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any of the Subsidiaries or any other obligor under the Fundamental Documents or the performance or observance by the Borrower (on behalf of itself or the Subsidiaries) or any of the Guarantors or any other obligor under the Fundamental Documents of any of their respective obligations under the Fundamental Documents or any other instrument or document furnished pursuant hereto or thereto; (iii) such assignee confirms that it has received a copy of this Agreement, together with copies of the most recent financial statements delivered pursuant to Sections 5.05(a) and 5.05(b) (or if none of such financial statements shall have then been delivered, then copies of the financial statements referred to in Section 3.05 hereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the assigning Bank, the Administrative Agent or any other person that has become a Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee appoints and authorizes the Administrative Agent to take such action on its behalf as the Administrative Agent deems appropriate and to exercise such powers under the Fundamental Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (vi) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Bank.

(e) The Administrative Agent shall maintain at its address at which notices are to be given to it pursuant to Section 10.01 a copy of each Assignment and Acceptance and a register for the recordation of the names and addresses of the Banks and the Commitments of, and principal amount of the Loans owing to, each Bank from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Banks may treat each person whose name is recorded in the Register as a Bank hereunder for all purposes of the Fundamental Documents. The Register shall be available for inspection by the Borrower or any Bank at any reasonable time and from time to time upon reasonable prior notice.

(f) Upon its receipt of an Assignment and Acceptance executed by an assigning Bank and an assignee together with any Notes subject to such assignment and evidence of the Borrower's written consent to such assignment, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in the form of Exhibit E hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt written notice thereof to the Borrower. Within five Business Days after receipt of the notice, the Borrower, at its own expense, shall execute and deliver to the Bank, in

exchange for the surrendered Notes, as applicable (x) a new Competitive Note to the order of such assignee in an amount equal to the Total Commitment and a new Revolving Credit Note to the order of such assignee in an amount equal to the portion of the Commitment assumed by it pursuant to such Assignment and Acceptance and, (y) a new Revolving Credit Note to the order of the assigning Bank in an amount equal to the Commitment retained by it hereunder. Such new Revolving Credit Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such assumed Commitment and retained Commitment, such new Notes shall be dated the date of the surrendered Notes and shall otherwise be in substantially the forms of Exhibits B-1 and B-2 hereto, as the case may be. In addition, the Borrower will promptly, at its own expense, execute such amendments to the Fundamental Documents to which it is a party and such additional documents and cause the Guarantors to execute amendments to the Fundamental Documents to which it is a party, and take such other actions as the Administrative Agent or the assignee Bank may reasonably request in order to confirm that such assignee Bank is entitled to the full benefit of the guaranties contemplated hereby to the extent of such assignment.

(g) Notwithstanding any other provision herein, any Bank may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 2.24, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower or any of the Subsidiaries furnished to such Bank or the Administrative Agent by or on behalf of the Borrower; provided that prior to any such disclosure, each such assignee or participant or proposed assignee or participant shall agree in writing to preserve the confidentiality of any confidential information relating to the Borrower or any of their Subsidiaries received from such Bank on the terms of Section 10.11.

(h) Any Bank may at any time pledge or assign all or any portion of its rights under this Agreement and the Notes to a Federal Reserve Bank.

(i) SPV Designation.

(i) Notwithstanding anything to the contrary contained herein, any Bank (a "Designating Bank") may grant to one or more special purpose funding vehicles (each, a "SPV"), identified as such in writing from time to time by the Designating Bank to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Designating Bank would otherwise be obligated to make to the Borrower pursuant to this Agreement; provided that (A) nothing herein shall constitute a commitment by any SPV to make any Loan, (B) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Designating Bank shall be obligated to make such Loan pursuant to the terms hereof and (C) the Designating Bank shall remain liable for any indemnity or other payment obligation with respect to its Commitment hereunder. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Designating Bank to the same extent, and as if, such Loan were made by such Designating Bank.

(ii) As to any Loans or portion thereof made by it, each SPV shall have all the rights that a Bank making such Loans or portion thereof would have had under this Agreement; provided, however, that each SPV shall have granted to its Designating Bank an irrevocable power of attorney, to deliver and receive all communications and notices under this Agreement (and any Fundamental Documents) and to exercise, exclusively in the place and stead of such SPV, all of such SPV's voting rights under this Agreement in the discretion of such

Designating Bank, until the occurrence and continuation of an Event of Default. No additional Note shall be required to evidence the Loans or portion thereof made by an SPV; and the related Designating Bank shall be deemed to hold its Note as agent for such SPV to the extent of the Loans or portion thereof funded by such SPV. In addition, any payments for the account of any SPV shall be paid to its Designating Bank as agent for such SPV. Notwithstanding any term or condition hereof, no SPV, unless it shall have become a Bank hereunder in accordance with the terms of Section 2.24(b), shall be a party hereto or have any right to vote or give or withhold its consent under this Agreement.

(iii) Each party hereto hereby agrees that no SPV shall be liable for any indemnity or payment under this Agreement for which a Bank would otherwise be liable. In furtherance of the foregoing, each party hereto hereby agrees (which agreements shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the later of (A) payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, (B) the payment in full of all Obligations, and (C) the termination of all Commitments and the expiration or termination of all Letters of Credit, it will not institute against, or join any other person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any State thereof.

(iv) In addition, notwithstanding anything to the contrary contained in these Clauses (i) through (iv) of this Section 2.24(i) or otherwise in this Agreement (other than the proviso set forth directly below in this Clause, any SPV may (A) with notice to, but without the prior written consent of the Borrower or the Administrative Agent, at any time and without paying any processing fee therefor, assign or participate all or a portion of its interest in any Loans to the Designating Bank or to any financial institutions providing liquidity and/or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (B) disclose on a confidential basis information relating to its Loans that pertains to Borrower's performance under the Fundamental Documents and all other information relating to its Loans provided by Borrower pursuant hereto, other than non-public information provided pursuant to Section 3.05 hereof and other than any other non-public information provided pursuant hereto, to any rating agency, commercial paper dealer or provider of any surety, guaranty or credit or liquidity enhancements to such SPV; provided, however, that in no event may any non-public financial information provided by the Borrower or any Guarantor under this Agreement be provided by any SPV to any other Person. In no event shall the Borrower be obligated to pay to any SPV that has made a Loan any greater amount than the Borrower would have been obligated to pay under this Agreement if the Designating Bank had made such Loan. These Clauses (i) through (iv) of this Section 2.24(i) may not be amended without the written consent of any Designating Bank affected thereby.

SECTION 2.25. Taxes.

(a) No Deductions. All payments made by Borrower hereunder and under each Note shall be made free and clear of and without deduction for any present or future taxes, levies, imposts, deductions, charges, or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the net income of any Bank and all income and franchise taxes applicable to any Bank of the United States (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings, and liabilities being hereinafter referred to as "Taxes"). If Borrower shall be required by Law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note, (i) the sum payable shall be increased as may be necessary so that

after making all required deductions (including deductions applicable to additional sums payable under this Section 2.25) each Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions and (iii) Borrower shall timely pay the full amount deducted to the relevant tax authority or other authority in accordance with applicable Law.

(b) Stamp Taxes. In addition, Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges, or similar levies which arise from any payment made hereunder or from the execution, delivery, or registration of, or otherwise with respect to, this Agreement or any Note (hereinafter referred to as "Other Taxes").

(c) Indemnification for Taxes Paid by a Bank. Borrower shall indemnify each Bank for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.25) paid by any Bank and any liability (including penalties, interest, and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within 30 days from the date a Bank makes written demand therefor.

(d) Certificate. Within 30 days after the date of any payment of any Taxes by Borrower, Borrower shall furnish to each Bank, at its address referred to herein, the original or a certified copy of a receipt evidencing payment thereof. If no Taxes are payable in respect of any payment by Borrower, such Borrower shall, if so requested by a Bank, provide a certificate of an officer of Borrower to that effect.

(e) Survival. Without prejudice to the survival of any other agreement of Borrower hereunder, the agreements and obligations of Borrower contained in Clauses (a) through (d) of this Section 2.25 shall survive the payment in full of principal and interest hereunder and under any instrument delivered hereunder.

ARTICLE III REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Banks that:

SECTION 3.01. Organization; Corporate Powers. (a) Each of the Borrower and the Subsidiaries is a corporation or other business entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) each of the Borrower and the Subsidiaries (i) has the corporate or other appropriate organizational power and authority to own its property and to carry on its business as now conducted and (ii) is qualified to do business in every jurisdiction where such qualification is necessary except where the failure so to qualify would not have a materially adverse effect on the condition, financial or otherwise, of the Borrower or of the Borrower and its Consolidated Subsidiaries taken as a whole; (c) each of the Borrower and the Guarantors has the corporate or other appropriate organizational power to execute, deliver and perform its obligations under the Fundamental Documents to which it is a party and the Borrower has the corporate power to borrow hereunder and to execute and deliver the Notes; and (d) each of the Guarantors has the corporate or other appropriate organizational power and authority to guaranty the Obligations as contemplated by Article VIII hereof.

SECTION 3.02. Authorization. The execution, delivery and performance of this Agreement and the other Fundamental Documents to which the Borrower or any of the Guarantors is or is to be a party, by each such party; in the case of the Borrower, the Borrowings hereunder and the execution and delivery of the Notes; and in the case of each Guarantor, the guaranty of the Obligations as contemplated in Article VIII (a) have been duly authorized by all requisite corporate or other appropriate organizational action on the part of the Borrower and each Guarantor; and (b) will not (i) violate (A) any law, rule or regulation of the United States or any state or political subdivision thereof, the certificate of incorporation or By-laws or other appropriate organizational documents of the Borrower or any of the Consolidated Subsidiaries, (B) any applicable order of any court or other agency of government or (C) any indenture, any agreement for borrowed money, any bond, note or other similar instrument or any other material agreement or contract to which the Borrower or any of the Consolidated Subsidiaries is a party or by which the Borrower or any of the Consolidated Subsidiaries or any of their respective properties are bound, (ii) be in conflict with, result in a breach of or constitute (with notice or lapse of time or both) a default under any such indenture, agreement, bond, note, instrument or other material agreement or contract or (iii) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any property or assets of the Borrower or any of the Consolidated Subsidiaries except that, in the case of all the above, for any such violations, conflicts, breaches, defaults, liens, charges or encumbrances which would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole or adversely affect the rights or interest of the Banks.

SECTION 3.03. Enforceability. This Agreement and each other Fundamental Document to which the Borrower or any of the Guarantors is a party, is a legal, valid and binding obligation of each such party thereto, and is enforceable against each such party thereto in accordance with its terms, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

SECTION 3.04. Governmental Approvals. No action, consent or approval of, or registration or filing with, or any other action by any Governmental Authority is required in connection with the execution, delivery and performance by the Borrower and any of the Guarantors of this Agreement or of any other Fundamental Document to which it is a party, the Borrowings hereunder, the guaranty by the Guarantors of the Obligations under Article VIII or the execution and delivery of the Notes.

SECTION 3.05. Financial Statements and Condition. (a) The Borrower has heretofore furnished to each of the Banks audited Consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as of December 31, 2000 and the related audited Consolidated statements of income, Consolidated statements of stockholders' equity and Consolidated statements of cash flows for the fiscal period then ended, together with related notes and supplemental information. The audited consolidated balance sheet, statement of income, statement of stockholders' equity and statement of cash flows are referred to herein as the "Audited Financial Statements." The Audited Financial Statements and the notes thereto were prepared in accordance with generally accepted accounting principles consistently applied, and present fairly the Consolidated financial position and results of operations and cash flows of the Borrower and its Consolidated Subsidiaries as of the dates and for the periods indicated, and such balance sheets and related

notes show all known direct liabilities and all known contingent liabilities of a material nature of the Borrower and its Consolidated Subsidiaries as of such dates which are required to be included in such financial statements and the notes thereto in accordance with generally accepted accounting principles.

(b) The Borrower has delivered to each of the Banks pro forma consolidated projected financial results for the years 2001-2005. Such projected financial results are based on good faith estimates and assumptions believed to be reasonable by senior management of the Borrower as of the Execution Date.

(c) None of the Borrower or any Guarantor (each, a "Credit Party") is entering into the arrangements contemplated hereby and by the other Fundamental Documents or intends to make any transfer or incur any obligations hereunder or thereunder, with actual intent to hinder, delay or defraud either present or future creditors. On and as of the date of the initial Borrowing hereunder on a Pro Forma Basis after giving effect to all Indebtedness (including the Loans hereunder and the Indebtedness incurred by each Credit Party in connection therewith) (w) each Credit Party expects the cash available to such Credit Party and its Subsidiaries on a Consolidated basis, after taking into account all other anticipated uses of the cash of such Credit Party (including the payments on or in respect of debt referred to in clause (y) of this Section 3.05(c)), will be sufficient to satisfy all final judgments for money damages which have been docketed against such Credit Party and such Subsidiaries or which such Credit Party believes may be rendered against such Credit Party and such Subsidiaries in any action in which such Credit Party is a defendant on the Closing Date (taking into account the reasonably anticipated maximum amount of any such judgment and such Credit Party's belief as to the earliest time at which such judgment might be entered); (x) the sum of the present fair saleable value of the assets of each Credit Party and its Subsidiaries on a Consolidated basis will exceed the probable liability of such Credit Party and such Subsidiaries on their debts (including their obligations under the Guaranty); (y) no Credit Party and its Subsidiaries on a Consolidated basis will have incurred or intends to incur, or believes that it will incur, debts beyond its ability to pay such debts as such debts mature (taking into account the timing and amounts of cash to be received by such Credit Party and such Subsidiaries from any source, and amounts to be payable on or in respect of debts of such Credit Party and such Subsidiaries and the amounts referred to in clause (w)); and (z) each Credit Party and its Subsidiaries on a Consolidated basis have sufficient capital with which to conduct their present and proposed business and the property of such Credit Party and such Subsidiaries does not constitute unreasonably small capital with which to conduct their present or proposed business. For purposes of this Section 3.05, "debt" means any liability on a claim, and "claim" means (i) right to payment whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed (other than those being disputed in good faith), undisputed, legal, equitable, secured or unsecured, or (ii) right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured. For purposes of this Section 3.05, "present fair saleable value" means the amount that may be realized if any person's assets are sold as an entirety with reasonable promptness in an arm's-length transaction under conditions for the sale of comparable business enterprises obtaining at the time of determination.

SECTION 3.06. [Reserved].

SECTION 3.07. Title to Properties. All assets of the Borrower and the Subsidiaries are free and clear of Liens, except such as are permitted by Section 6.01.

SECTION 3.08. Litigation. There are no actions, suits or proceedings (whether or not purportedly on behalf of the Borrower or any of the Subsidiaries), pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of the Subsidiaries at law or in equity or before or by any Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which involve any of the transactions herein contemplated, or which have a reasonable likelihood of being determined adversely and if determined adversely to the Borrower or any of the Subsidiaries, would result in a material adverse change in the business, operations, prospects, properties, assets or condition (financial or otherwise) of the Borrower and its Consolidated Subsidiaries taken as a whole and neither the Borrower nor any of the Subsidiaries is in default with respect to any judgment, writ, injunction, decree, rule or regulation of any court or Federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which default would have a materially adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole or have an adverse effect on the Borrower's or the Guarantors' ability to comply with this Agreement or any other Fundamental Document.

SECTION 3.09. Tax Returns. The Borrower and each of the Subsidiaries have timely filed or caused to be filed all Federal, state and local tax returns which, to the knowledge of the Borrower or such Subsidiary after due inquiry, are required to be filed and have paid or caused to be paid all taxes required to be paid with respect to such returns or any assessment received by it or by any of them to the extent that such taxes have become due, except taxes the validity of which are being contested in good faith by appropriate actions or proceedings and with respect to which the Borrower or such Subsidiary, as the case may be, shall have made such reserve, or other adequate provision, if any, as shall be required by generally accepted accounting principles, and except for the filing of such returns as to which the failure to file will not, either individually or in the aggregate, have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole, or have an adverse effect on the Borrower's or the Guarantors' ability to comply with this Agreement or any other Fundamental Document.

SECTION 3.10. Agreements. (a) None of the Borrower nor any of the Subsidiaries is subject to any charter or other corporate restriction materially and adversely affecting its business, properties, assets, operations or condition (financial or otherwise) or a party to any agreement or instrument materially and adversely affecting the business, properties, assets, operations or condition (financial or otherwise) of the Borrower and its Consolidated Subsidiaries taken as a whole. None of the Borrower or any of the Subsidiaries is in default in the performance, observance or fulfillment of any agreement or instrument for borrowed money by which it is bound, or any other agreement or instrument by which it is bound which individually or in the aggregate materially and adversely affects the business, properties, assets, operations or condition (financial or otherwise) of the Borrower and its Consolidated Subsidiaries taken as a whole.

(b) The Administrative Agent has been provided at or prior to the Execution Date (i) copies of all credit agreements, indentures and other agreements related to Indebtedness for borrowed money of the Borrower or any of the Subsidiaries in an amount greater than $10,000,000 and, to the extent requested by the Administrative Agent, copies of any other credit agreements, indentures and other agreements related to Indebtedness for borrowed money of the Borrower or any of the Subsidiaries and (ii) access to (and copies of, to the extent requested) any other contracts or purchase agreements (including collective bargaining agreements) which are material to the Borrower or the Subsidiaries.

SECTION 3.11. Employee Benefit Plans. (a) The Borrower and each of its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Code and the regulations and published governmental interpretations thereunder. No Reportable Event has occurred with respect to any Plan (other than Plans which have been terminated and as to which the Borrower and its ERISA Affiliates do not have any significant remaining obligations or liabilities in connection therewith) as to which the Borrower or any of its ERISA Affiliates was required to file a report with the PBGC, and the present value of all benefit liabilities under each Plan maintained by the Borrower or any of its ERISA Affiliates (based on those assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed by a material amount the value of the assets of such Plan. There has been no Prohibited Transaction with respect to any employee benefit plan subject to ERISA, including any Plan or to Borrower's knowledge any Multiemployer Plan or Multiple Employer Plan, which could result in any material liability to the Borrower or an ERISA Affiliate. No Plan has incurred an "accumulated funding deficiency" within the meaning of Section 412(a) or sought or obtained a waiver under Section 412(d)(1) or an extension of time under Section 412(e) of the Code. No suit, action or other litigation or investigation or a claim (excluding claims for benefits incurred in the ordinary course of Plan activities) has been threatened or brought against or with respect to any Plan. To the best of the knowledge of the Borrower and each of its ERISA Affiliates (i) no payment required to be made under any Plan would be nondeductible under Section 280G of the Code, and (ii) in the case of each Plan intended to qualify under Section 401(a) of the Code, all amendments to such Plan required for the continuing qualification of such Plan have been approved and adopted.

(b) None of the Borrower or any of its ERISA Affiliates has incurred any Withdrawal Liability that materially adversely affects the financial condition of the Borrower and its Consolidated Subsidiaries taken as a whole. None of the Borrower or any of its ERISA Affiliates has received any notification that any Multiemployer Plan or Multiple Employer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and no Multiemployer Plan or Multiple Employer Plan is reasonably expected to be in reorganization or to be terminated, where such reorganization has resulted or can reasonably be expected to result in an increase in the contributions required to be made to such Plan that would materially and adversely affect the financial condition of the Borrower and its Consolidated Subsidiaries taken as a whole.

SECTION 3.12. Investment Company Act; Public Utility Holding Company Act; Federal Power Act. None of the Borrower or the Subsidiaries is or will during the term of this Agreement be (i) an "investment company" as the term is defined in the

Investment Company Act of 1940, as amended, (ii) subject to regulation under the Investment Company Act of 1940, as amended, (iii) a "holding company" as that term is defined in the Public Utility Holding Company Act of 1935 or (iv) subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act or any foreign, Federal or local statute or regulation limiting its ability to incur indebtedness for money borrowed or guaranty such indebtedness as contemplated hereby.

SECTION 3.13. Federal Reserve Regulations. Subject to Section 4.01(d), none of the Borrower or any of the Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock (within the meaning of Regulation U). No part of the proceeds of the Loans hereunder will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that violates, or is inconsistent with, the provisions of Regulations T, U or X. If requested by any Bank, the Borrower will furnish to such Bank a statement, in conformity with the regulations, on Federal Reserve Form U-1 referred to in said Regulation U.

SECTION 3.14. Defaults; Compliance with Laws. None of the Borrower or any of the Subsidiaries is in default under this Agreement or otherwise in default under any other agreements with respect to borrowed money in an aggregate outstanding principal amount of $10,000,000 or more. The Borrower and each of the Subsidiaries has conducted its business and affairs so as to comply in all respects material to the Borrower and its Consolidated Subsidiaries taken as a whole with all applicable Federal, state and local laws and regulations.

SECTION 3.15. Use of Proceeds. Proceeds of the Loans and the Letters of Credit will be used for the purposes referred to in Section 2.03.

SECTION 3.16. Affiliated Companies. Set forth on Schedule 3.16 hereto is a complete and accurate list of all of the Subsidiaries of the Borrower and other persons in which the Borrower or a Subsidiary holds voting stock or a similar interest (other than companies as to which the Borrower or a Subsidiary, as applicable, owns, directly or indirectly, less than 5% of the outstanding voting stock), showing as of the Closing Date as to Subsidiaries (i) the jurisdiction of its incorporation, (ii) the number of shares of each class of capital stock authorized, (iii) the number of such shares outstanding, (iv) the percentage of such shares held directly or indirectly by the Borrower or a Subsidiary, as applicable, and (v) the number of such shares covered by outstanding options, warrants, or rights held directly or indirectly by the Borrower or a Subsidiary, as applicable; provided, however, with respect to Clauses (ii) and (iii) directly above, Borrower may omit the information requested by such Clauses for all Subsidiaries having tangible assets in an amount less than $10,000,000 and, with respect to all other Subsidiaries organized under the laws of a jurisdiction other than the United States or a state thereof, Borrower shall have until forty-five days after the date hereof to provide such information by way of a supplement to, or amendment and restatement of, Schedule 3.16 supplementing or amending solely the information required by such Clauses for such Subsidiaries. Except as set forth on Schedule 3.16, all of the outstanding capital stock of all of such Subsidiaries has been validly issued, is fully paid and nonassessable and is owned as set

forth in Schedule 3.16 (directly or indirectly) by the Borrower or a Subsidiary, except for shares required to be owned by other persons under applicable foreign law (which shares do not exceed, for any such Subsidiary, 5% of the total outstanding shares of such Subsidiary), free and clear of all Liens and any options, warrants and other similar rights except as contemplated by the Existing Credit Agreements.

SECTION 3.17. Environmental Liabilities. (a) Except as set forth on Schedule 3.17 hereof, the Borrower and the Consolidated Subsidiaries have not used, stored, treated, transported, manufactured, refined, handled, produced or disposed of any Hazardous Materials on, under, at, from, or in any way affecting any of their properties or assets, or otherwise, in any manner which at the time of the action in question violated any Environmental Law governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and to the best of the Borrower's knowledge, but without independent inquiry, no prior owner of such property or asset or any tenant, subtenant, prior tenant or prior subtenant thereof has used Hazardous Materials on, from or affecting such property or asset, or otherwise, in any manner which at the time of the action in question violated any Environmental Law governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, except in each instance such violations as in the aggregate would not have a material adverse effect upon the Borrower and the Consolidated Subsidiaries taken as a whole.

(b) Except as set forth on Schedule 3.17, the Borrower and its Consolidated Subsidiaries do not have any obligations or liabilities, matured or not matured, absolute or contingent, assessed or unassessed, which such would reasonably be expected to have a materially adverse effect on the business or financial condition of the Borrower and its Consolidated Subsidiaries taken as a whole and, except as set forth in Schedule 3.17, no claims have been made against the Borrower or any of its Consolidated Subsidiaries during the past five years and no presently outstanding citations or notices have been issued against the Borrower or its Consolidated Subsidiaries, where such would reasonably be expected to have a materially adverse effect on the business or financial condition of the Borrower and its Consolidated Subsidiaries taken as a whole, which in either case have been or are imposed by reason of or based upon any provision of any Environmental Laws, including, without limitation, any such obligations or liabilities relating to or arising out of or attributable, in whole or in part, to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Materials by the Borrower or the Consolidated Subsidiaries, in their respective capacities as such, or any of their respective employees, agents, representatives or predecessors in interest in connection with or in any way arising from or relating to the Borrower, the Consolidated Subsidiaries or any of their respective properties, or relating to or arising from or attributable, in whole or in part, to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any such substance, by any other Person at or on or under any of the real properties owned or used by the Borrower, the Consolidated Subsidiaries or any other location where such would have a materially adverse effect on the business or financial condition of the Borrower and its Consolidated Subsidiaries taken as whole.

SECTION 3.18. Disclosure. Neither this Agreement nor any agreement, document, certificate or written statement furnished to any Bank or to the Administrative Agent for the benefit of the Banks by or on behalf of the Borrower or any of the Subsidiaries in connection with the transactions contemplated hereby, at the time it

was furnished contained any untrue statement of a material fact or omitted to state a material fact, under the circumstances under which it was made, necessary in order to make the statements contained herein or therein not misleading provided that no representation or warranty other than that set forth in Section 3.05(b) is made with respect to the projected financial results of the Borrower for the years 2001-2005. At the date hereof, there is no fact known to the Borrower which materially and adversely affects, or in the future is reasonably expected to materially and adversely affect, the business, assets or financial condition, of the Borrower and its Consolidated Subsidiaries taken as a whole (other than facts or conditions affecting the economy generally).

SECTION 3.19. Insurance. As of the date of this Agreement, all insurance maintained by the Borrower and its Subsidiaries on their insurable properties and all other insurance maintained by them is in full force and effect and all premiums required to have been paid have been duly paid.

ARTICLE IV CONDITIONS OF LENDING

SECTION 4.01. All Borrowings. The obligations of each of the Banks to make Loans and the Issuing Bank to issue, amend, renew or extend any Letter of Credit hereunder on the date of each Borrowing or issuance, amendment, renewal or extension of any Letter of Credit hereunder shall be subject to the following conditions precedent:

(a) Notice. The Administrative Agent shall have received a notice of such Borrowing as required by Section 2.04 or 2.05, as applicable.

(b) Representations and Warranties. The representations and warranties set forth in Article III shall be true and correct in all material respects on and as of the date of such Borrowing or issuance, amendment, renewal or extension of such Letter of Credit with the same effect as if made on and as of such date, except to the extent that such representations and warranties expressly relate to an earlier date.

(c) No Default. The Borrower and each of the Guarantors shall be and the Borrower shall have caused each of the Subsidiaries to be in compliance with all of the terms and provisions set forth herein or in any other Fundamental Document on its part to be observed or performed, and immediately after such Borrowing no Event of Default or event which upon notice or lapse of time or both would constitute an Event of Default shall have occurred and be continuing.

(d) Margin Requirements. If the proceeds of any Loans (or Letter of Credit) are to be used, directly or indirectly, to purchase or carry any margin stock or to extend credit or refund indebtedness incurred for such purpose, the Borrower shall furnish to the Administrative Agent an opinion of counsel reasonably satisfactory to the Administrative Agent to the effect set forth in paragraph 7 of Exhibit D-1 to this Agreement.

(e) Additional Documents. The Banks and Issuing Bank shall have received from the Borrower on the date of each Borrowing such documents and information as they may reasonably request relating to the satisfaction of such conditions.

Each Borrowing or issuance, amendment, renewal or extension of Letter of Credit hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing or issuance, amendment, renewal or extension of Letter of Credit as to the matters specified in paragraphs (b) and (c) of this Section 4.01.

SECTION 4.02. Closing Date. The obligations of the Banks to make Loans and the Issuing Bank to issue Letters of Credit hereunder are subject to the following additional conditions precedent:

(a) Closing Date. (i) The Closing Date shall have occurred on or before the 30th day following the Execution Date, and (ii) on the Closing Date, there shall have been no material adverse change in the business, assets, condition (financial or otherwise) or results of operations of the Borrower and its Consolidated Subsidiaries taken as a whole since December 31, 2000, except as previously disclosed in writing to the Banks prior to the Execution Date.

(b) Notes. On the Closing Date, each Bank shall have received a duly executed Competitive Note and Revolving Credit Note complying with the provisions of Section 2.09.

(c) Opinions of Counsel. On the Closing Date, each Bank and the Issuing Bank shall have received the favorable written opinion of Brian M. Addison, Esq., Secretary and General Counsel of the Borrower, dated the Closing Date, addressed to each Bank and satisfactory to Buchanan Ingersoll, PC, counsel to the Administrative Agent, substantially in the form of Exhibit D.

(d) Corporate Documents. On or before the Closing Date, each Bank and the Issuing Bank shall have received (i) a copy of the Certificate of Incorporation, as amended, of each of the Borrower and each Guarantor, certified as of a recent date by the Secretary of State of the state of incorporation of such person; (ii) a certificate of such Secretary of State, dated as of a recent date, as to the good standing of, and payment of taxes by, the Borrower and each Guarantor, as applicable, and as to the charter documents of the Borrower and each Guarantor, as applicable, on file in the office of each such Secretary of State; (iii) a certificate of the Secretary of each of the Borrower and each Guarantor, each dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the By-laws of the Borrower or such Guarantor, as applicable, as in effect on the date of such certification, (B) that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors of the Borrower or such Guarantor, authorizing the execution, delivery and performance of the Fundamental Documents to which it is a party, (C) that the Certificate of Incorporation of the Borrower or such Guarantor, as applicable, has not been amended since the date of the last amendment thereto indicated on the applicable certificate of the Secretary of State furnished pursuant to clause (ii) above and (D) as to the incumbency and specimen signature of each officer of the Borrower or such Guarantor, as applicable, executing the Fundamental Documents to which it is a party, or any other document delivered in connection herewith or therewith, as the case may be, (each such certificate to contain a certification by another officer of the Borrower or such Guarantor, as applicable, as to the incumbency and signature of the officer signing the certificate referred to in this clause (iii)); and (iv) such other documents as any Bank or counsel for the Administrative Agent may reasonably request.

(e) Required Consents and Approvals. Except as noted on Schedule 4.02, all required consents and approvals shall have been obtained on or before the Closing Date with respect to the transactions contemplated hereby from all Governmental Authorities with jurisdiction over the business and activities of the Borrower and the Subsidiaries.

(f) Federal Reserve Regulations. The Administrative Agent shall be satisfied on or before the Closing Date that the provisions of Regulations T, U and X of the Board will not be violated by the transactions contemplated hereby.

(g) Contribution Agreement. The Administrative Agent shall have received on or before the Closing Date the Contribution Agreement, duly executed by the Borrower and each Guarantor.

(h) Fees and Expenses. On the closing Date, all accrued but unpaid Facility Fees and fees due to the Banks or Administrative Agent, or both, all as contemplated by Section 2.08, and all amounts referred to in Section 10.04 then due, shall have been or shall be simultaneously paid in full.

(i) Existing Indebtedness. Concurrently with the transactions contemplated hereby, on the Closing Date, the Existing Revolving Credit Agreement and the Existing Master Letter of Credit Agreement shall have been terminated (except to the extent necessary to provide for any letters of credit, if any, outstanding under the Existing Revolving Credit Agreement).

(j) Officer's Certificate. On the Closing Date. the Banks shall have received a certificate of Borrower provided on its behalf by a Financial Officer dated the Closing Date certifying (i) compliance with Section 4.01(b) and (c) hereof, and (ii) the veracity of Section 4.02(a)(ii).

(k) Other Documents. On the Closing Date, the Administrative Agent shall have received such other documents as the Administrative Agent may reasonably require.

ARTICLE V AFFIRMATIVE COVENANTS

The Borrower covenants and agrees with each Bank that, so long as this Agreement shall remain in effect or the principal of or interest on any Note or any other expenses or amounts payable hereunder shall be unpaid or the Commitments are in effect, unless the Required Banks otherwise consent in writing, it will, and it will cause each of its Subsidiaries and, with respect to Section 5.07 only, its ERISA Affiliates) to:

SECTION 5.01. Corporate Existence. Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its corporate existence, material rights, licenses, permits and franchises; provided that nothing in this Section 5.01 shall prevent the abandonment or termination of the corporate existence, rights or franchises of any Subsidiary or the Borrower if such abandonment or termination would not have a material adverse effect upon the business, assets, liabilities, financial condition, results of operations or business prospects of the Borrower and its Subsidiaries taken as a whole or the ability of the Borrower to perform its obligations hereunder or under any other Fundamental Document.

SECTION 5.02. Maintenance of Property. At all times maintain and preserve all property used or useful in working order and condition, and from time to time make, or cause to be made, all needful and proper repairs, renewals and replacements thereto, so that the business carried on in connection therewith may be properly conducted at all times, except to the extent that the failure to do so would not have a material adverse effect upon the business, assets, liabilities, financial condition, results of operations or prospects of the Borrower and its Subsidiaries taken as a whole or on the ability of the Borrower or any Guarantor to perform its obligations hereunder or under any other Fundamental Document.

SECTION 5.03. Insurance. (a) Keep its insurable properties adequately insured at all times; (b) maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses; (c) maintain in full force and effect public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by the Borrower or any Subsidiary, as the case may be, in such amount as the Borrower or such Subsidiary, as the case may be, shall reasonably deem necessary; and (d) maintain such other insurance as may be required by law. The Borrower and the Subsidiaries may self-insure to the extent customary with companies in the same or similar businesses.

SECTION 5.04. Obligations and Taxes. Pay all its indebtedness and obligations promptly and in accordance with their terms except to the extent that the failure to do so would not have a material adverse effect upon the business, assets, liabilities, financial condition, results of operations or prospects of the Borrower and its Subsidiaries taken as a whole or on the ability of the Borrower or any Guarantor to perform its obligations hereunder or under any other Fundamental Document and pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property (and use its best efforts to do so), prior to the time penalties would attach thereto, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might become a Lien or charge upon such properties or any part thereof; provided, however, that none of the Borrower or any of the Subsidiaries shall be required to pay and discharge or to cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate actions or proceedings and the Borrower or such Subsidiary, as the case may be, shall have made such reserve, or other adequate provision, if any, as shall be required by generally accepted accounting principles with respect to any such tax, assessment, charge, levy or claim so contested.

SECTION 5.05. Financial Statements; Reports, etc. Furnish to the Banks:

(a) As soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, the Consolidated balance sheet as of the end of such fiscal year of the Borrower and its Consolidated Subsidiaries, the related Consolidated statements of income and the Consolidated statements of cash flows for the year then ended of the Borrower and its Consolidated Subsidiaries, the foregoing Consolidated financial statements to be (x) examined by, and to carry the report reasonably acceptable to the Banks of PriceWaterhouse Coopers LLC

or other independent public accountants of similar nationally recognized standing reasonably acceptable to the Banks, and to be in the form of the financial statements included in the Borrower's annual report on Form 10-K filed with the Securities and Exchange Commission for the fiscal year ended December 31, 2000, and (y) accompanied by a certificate of said accountants stating that in making the examination necessary for expressing their opinion on such statements they have obtained no knowledge, of a financial or accounting nature, of any violation of any of the terms or provisions of this Agreement or any other Fundamental Document, or of the occurrence of any condition or event which, with notice or lapse of time or both, would constitute an Event of Default, or, if such accountants shall have obtained knowledge of any such violation, condition or event, they shall specify in such certificate all such violations, conditions and events, and the nature thereof, it being understood that said accountants shall not be liable to anyone for failure to obtain such knowledge. All such Consolidated financial statements shall be compiled in reasonable detail in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods reflected therein, except as stated therein, and fairly present the financial position and results of operations and cash flows of the Borrower and its Consolidated Subsidiaries for the respective periods indicated.

(b) As soon as available, but in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year, an unaudited Consolidated condensed balance sheet, and the related unaudited Consolidated condensed statements of income for such quarter and for the then elapsed portion of the fiscal year, and the Consolidated condensed statements of cash flows of the Borrower and its Consolidated Subsidiaries for the then-elapsed portion of the fiscal year, the foregoing Consolidated condensed financial statements to be in reasonable detail (comparable to the Consolidated condensed financial statements for the quarter ended June 30, 1997 heretofore delivered to the Banks) and stating (with respect to the unaudited Consolidated condensed statements of income and cash flows) in comparative form the figures as at the end of and for the comparable periods of the preceding fiscal year and to be certified by a Financial Officer of the Borrower in his capacity as such as being to the best of his knowledge and belief correct and complete and as presenting fairly the consolidated financial position and results of operations of the Borrower and its Consolidated Subsidiaries in accordance with generally accepted accounting principles (other than the omission of the notes to the financial statements required by generally accepted accounting principles) applied on a basis consistent with previous fiscal years, in each case subject to normal year-end adjustments.

(c) Concurrently with (a) and (b) above, a certificate of a Financial Officer of the Borrower, certifying in his capacity as such (i) that to the best of his knowledge and belief no Event of Default, or event which with notice or lapse of time or both would constitute such an Event of Default or event has occurred, and, if so, specifying the nature and extent thereof and specifying any corrective action taken or proposed to be taken with respect thereto, (ii) that to the best of his knowledge and belief the Borrower is in compliance with the covenants set forth in Sections 6.09, 6.10 and 6.11, (iii) setting forth in reasonable detail calculations demonstrating compliance with Sections 6.01(x), 6.02, 6.04, and 6.06(c), and (iv) setting forth the calculation in reasonable detail of the Consolidated Interest Coverage Ratio as at the end of such fiscal quarter and for the period of four fiscal quarters then ended treated as a single accounting period, and any change in pricing anticipated to become effective pursuant to such notice. In furtherance of the foregoing Clauses (ii), (iii), and (iv), Borrower shall furnish to the Banks a certificate, substantially in the form of Exhibit H (a "Compliance Certificate"), evidencing such compliance and setting forth such calculations.

(d) Promptly upon their becoming available, copies of all financial statements, reports, notices and proxy statements sent or made available generally by the Borrower to its public security holders, of all regular and periodic reports and all registration statements and prospectuses, if any, filed by the Borrower with any securities exchange or with the Securities and Exchange Commission, or any comparable foreign bodies, and of all press releases and other statements made available generally by any of them to the public concerning material developments in the business of the Borrower.

(e) Promptly, from time to time, such other information regarding the financial condition and business operations of the Borrower and its Consolidated Subsidiaries as any Bank may reasonably request (with a copy of any such written information provided to the Administrative Agent).

SECTION 5.06. Defaults and Other Notices. Give the Administrative Agent prompt (but in any event not later than five Business Days after an officer of the Borrower shall become aware of the occurrence of such event) written notice of the following:

(a) any Event of Default and any event which with notice or lapse of time or both would constitute an Event of Default; and

(b) any development (other than those specified above as to which the Administrative Agent has received due notice) which has resulted in, or which the Borrower reasonably believes will result in, a material adverse change in the business, assets, liabilities or financial condition of the Borrower and its Consolidated Subsidiaries taken as a whole or the ability of the Borrower to perform its obligations hereunder.

SECTION 5.07. ERISA. (a) Comply in all material respects with the applicable provisions of ERISA and the Code, (b) cause all Plans to be funded in accordance with the minimum funding standards of the Code and ERISA, and cause all due and owing contributions to be made to Multiemployer Plans, and (c) furnish to the Administrative Agent (i) as soon as possible, and in any event within 30 days after any officer of the Borrower or any of its ERISA Affiliates knows or has reason to know that any Reportable Event with respect to any Plan has occurred that alone or together with any other Reportable Event with respect to the same or another Plan could reasonably be expected to result in liability of the Company to the PBGC in an aggregate amount exceeding $5,000,000, a statement of a Financial Officer setting forth details as to such Reportable Event and the action that the Borrower proposes to take with respect thereto, together with a copy of the notice of such Reportable Event, if any, given to the PBGC, (ii) promptly after receipt thereof, a copy of any notice the Borrower or any of its ERISA Affiliates may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or Plans or to appoint a trustee to administer any such Plan, (iii) within 10 days after a filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, a statement of a Financial Officer setting forth details as to such failure and the action that the Borrower proposes to take with respect thereto, together with a copy of such notice given to the PBGC and (iv) promptly and in any event within 30 days after receipt thereof by the Borrower or any of its ERISA Affiliates from the sponsor of a Multiemployer Plan or Multiple Employer

Plan, a copy of each notice received by the Borrower or any ERISA Affiliate of the Borrower concerning (A) the imposition of Withdrawal Liability by a Multiemployer Plan or Multiple Employer Plan in an amount exceeding $5,000,000 or (B) a determination that a Multiemployer Plan or Multiple Employer Plan is, or is expected to be, terminated or in reorganization, both within the meaning of Title IV of ERISA, and which, in each case, is expected to result in an increase in annual contributions of the Borrower or any of its ERISA Affiliates to such Multiemployer Plan or Multiple Employer Plan in an amount exceeding $5,000,000.

SECTION 5.08. Access to Premises and Records. Maintain the financial records of the Borrower and its Consolidated Subsidiaries in accordance with generally accepted accounting principles and permit representatives of the Banks to have access, at all reasonable times upon reasonable notice, to the Borrower and any of its Subsidiaries and their properties and to make such excerpts from such financial books and records as such representatives reasonably request and to discuss the business, operations, properties and financial and other condition of the Borrower and such Subsidiaries with officers and employees of the Borrower and such Subsidiaries and the independent certified public accountants of the Borrower; provided that no Bank shall purchase, sell or otherwise acquire or dispose of any interest in a security of the Borrower in the public markets on the basis of any material nonpublic information so obtained.

SECTION 5.09. Compliance with Laws, etc. The Borrower and its Subsidiaries shall comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority, except to the extent that the failure to do so would not have a material adverse effect upon the business, assets, liabilities, financial condition, results of operations or prospects of the Borrower and its Subsidiaries taken as a whole or on the ability of the Borrower or any Guarantor to perform its obligations hereunder or under any other Fundamental Document. If any authorization or approval or other action by, or notice to or filing with, any Governmental Authority is required for the performance by the Borrower of this Agreement or any other Fundamental Document, the Borrower will promptly obtain such approval or make such notice or filing and shall provide satisfactory evidence thereof to the Administrative Agent.

SECTION 5.10. Security Interests. If any property of the Borrower or any of its Subsidiaries, whether now owned or hereafter acquired, is subjected to any Lien not permitted by Section 6.01, the Borrower will make, or will cause to be made, effective provision whereby the Obligations shall be secured equally and ratably with all other obligations secured by such Lien, and, if such provision is not made, an equitable lien, so equally and ratably securing the Obligations, shall exist on such property to the full extent permitted under applicable law; it being understood that the Borrower's compliance with the provisions of this Section 5.10 shall not, in any way, constitute a cure by the Borrower or a waiver by the Banks of the Borrower's failure to perform or observe any of the covenants or agreements in Section 6.01.

SECTION 5.11. Subsidiary Guarantors. Promptly upon any person incorporated in the United States becoming a Subsidiary that is a Material Subsidiary, or upon any Subsidiary incorporated in the United States becoming a Material Subsidiary, the Borrower agrees that it or the other direct owner of such Subsidiary shall cause such Subsidiary to sign such an instrument substantially in the form of

Exhibit G hereto, under which such Subsidiary shall become a party hereto and to the Contribution Agreement, the other Fundamental Documents (to the extent that Guarantors are parties thereto), and the Intercreditor Agreement, in each case as a Guarantor, and assume all obligations of a Guarantor under the Credit Agreement, all in a manner satisfactory to the Administrative Agent and its counsel; provided, however, the Borrower shall be permitted at any time to cause any of its Subsidiaries not then subject to this Section 5.11 to become a party to this Agreement and the other agreements set forth above in accordance with the requirements hereof, and provided further that, in the case of any additional Guarantor that is organized under the laws of a jurisdiction other than the United States or a state thereof, the Administrative Agent on behalf of the Banks and itself shall have received an opinion of counsel, admitted to practice in the relevant foreign jurisdiction, in form and substance satisfactory to the Administrative Agent.

SECTION 5.12. Environmental Laws. (a) Promptly notify the Administrative Agent upon any Senior Officer of the Borrower becoming aware of any violation or noncompliance with, or liability under any Environmental Laws which, when taken together with all other pending violations would reasonably be expected to be materially adverse to the Borrower and the Consolidated Subsidiaries taken as a whole, and promptly furnish to the Administrative Agent all notices of any nature which the Borrower or any Consolidated Subsidiaries may receive from any Governmental Authority or other Person with respect to any violation, or potential violation or noncompliance with, or liability or potential liability under any Environmental Laws which, in any case or when taken together with all such other notices, would reasonably be expected to have a material adverse effect on the Borrower and the Consolidated Subsidiaries taken as a whole.

(b) Comply with and use reasonable efforts to ensure compliance by all tenants and subtenants with all Environmental Laws, and obtain and comply in all material respects with and maintain and use reasonable efforts to ensure that all tenants and subtenants obtain and comply in all material respects with and maintain any and all licenses, approvals, registrations or permits required by Environmental Laws.

(c) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under all Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities.

(d) Defend, indemnify and hold harmless the Administrative Agent and the Banks, and their respective employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to the violation of or noncompliance with any Environmental Laws, or any orders, requirements or demands of Governmental Authorities related thereto, including, without limitation, reasonable attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses, but excluding therefrom all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses arising out of or resulting from (i) the gross negligence or willful misconduct of such indemnified party or (ii) any acts or omissions of any indemnified party occurring after such indemnified party is in possession of, or controls the operation of, any property or asset.

SECTION 5.13. Existing Credit Agreements. Terminate the Existing Multicurrency Revolving Credit Agreement as soon as practicable.

SECTION 5.14. Senior Debt Status. Maintain the Obligations on at least a pari passu basis in priority of payment with all other Indebtedness of Borrower and the Guarantors, except with respect to Indebtedness to the extent secured by Liens permitted by Section 6.01.

ARTICLE VI NEGATIVE COVENANTS

The Borrower covenants and agrees with the Banks that, so long as this Agreement shall remain in effect or the principal of or interest on any Note or any other expenses or amount payable hereunder shall be unpaid or the Commitments are in effect, unless the Required Banks otherwise consent in writing, it will not, and it will not cause or permit any of its Subsidiaries, directly or indirectly, to:

SECTION 6.01. Liens. Incur, create or permit to exist any Lien on (or sale and leaseback transaction with respect to) any property, assets or stock owned or hereafter acquired by the Borrower or any of its Subsidiaries, other than Liens in favor of the Administrative Agent for the benefit of the Banks and:

(i) Liens for taxes, assessments or governmental charges or levies not yet delinquent or thereafter payable without penalty for nonpayment or (if foreclosure, distraint, sale or other similar proceedings shall not have been commenced) being contested in good faith and by appropriate actions or proceedings promptly initiated and diligently conducted, if such reserve or other appropriate provision, if any, as shall be required by generally accepted accounting principles shall have been made therefor;

(ii) Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or being contested in good faith and by appropriate actions or proceedings promptly initiated and diligently conducted, if such reserve or other appropriate provision, if any, as shall be required by generally accepted accounting principles shall have been made therefor;

(iii) Liens incurred or deposits made in the ordinary course of business, in connection with workers' compensation, unemployment insurance and other social security, or to secure the performance of bids, tenders, leases, contracts (other than the repayment of borrowed money), statutory obligations, surety, customs and appeal bonds;

(iv) zoning restrictions, easements, licenses, reservations, provisions, covenants, conditions, waivers, restrictions on the use of real property or minor irregularities of title to real property (and with respect to leasehold encumbrances or interests, mortgages, obligations, liens and other encumbrances incurred, created, assumed or permitted to exist and arising by, through or under or asserted by a landlord or owner of the leased property, with or without consent of the lessee), none of which materially impairs the use of any parcel of real property material to the operation of the business of the owner thereof or the value of such property for the purpose of such business;

(v) Liens securing purchase money Indebtedness of the Borrower and its Subsidiaries provided; that (A) such Liens shall not encumber any property other than the property acquired, (B) the Indebtedness secured thereby does not exceed the purchase price of such property, and (C) such transaction does not otherwise violate this Agreement;

(vi) Liens upon assets of a corporation existing at the time such corporation is merged into or consolidated with the Borrower or a Subsidiary or at the time of its acquisition by the Borrower or a Subsidiary or its becoming a Subsidiary; provided that such Lien does not spread to any other asset at any time owned by the Borrower or any Subsidiary;

(vii) Liens in existence on the date hereof which are listed in Schedule 6.01 (which Schedule includes all such Liens (other than Liens of the types described in paragraphs (i) through (v) above) securing obligations in excess of $500,000);

(viii) Liens arising out of the renewal or refunding of any Indebtedness of the Borrower and its Subsidiaries secured by Liens permitted by the foregoing; provided that the aggregate principal amount of such Indebtedness is not increased and is not secured by additional assets and the Indebtedness secured by the Lien is permitted under this Agreement;

(ix) Liens in connection with attachments, judgments or awards as to which an appeal or other appropriate proceedings for contest or review are promptly commenced and diligently pursued in good faith (and as to which foreclosure and other enforcement proceedings shall not have been commenced (unless fully bonded or otherwise effectively stayed)); and

(x) other Liens on assets with an aggregate book value for all such assets subject to Liens, which when added to the aggregate book value of assets subject to Sale and Leaseback Transactions permitted under Section 6.06(c), do not at the time in effect exceed 10% of Consolidated Net Worth.

SECTION 6.02. Indebtedness. Permit any of the foreign Subsidiaries or any domestic Subsidiaries which are not Guarantors hereunder to incur, create, assume, become or be liable in any manner with respect to, or permit any of such Subsidiaries to permit or suffer to exist, any Indebtedness, unless after giving effect to such Indebtedness the total Indebtedness of all such Subsidiaries is no greater than 15% of Consolidated Net Worth; provided, however, this Section 6.02 shall not apply to any Subsidiary which becomes a Guarantor hereunder in accordance with Section 5.11 hereof.

SECTION 6.03. Mergers, Consolidations, Sales of Assets and Acquisitions. Neither the Borrower nor any Subsidiary (in one transaction or series of transactions) will wind-up, liquidate or dissolve its affairs, or enter into any transaction of merger or consolidation, or sell or otherwise dispose of all or any part of its property or assets, except:

(a) mergers between the Borrower and a Subsidiary (provided that Borrower shall be the surviving corporation) or between Subsidiaries;

(b) sales of inventory, marketable securities, receivables owed to a foreign subsidiary and receivables of the Borrower or any Subsidiary from export sales, in each case in the ordinary course of business;

(c) sales permitted pursuant to Section 6.06;

(d) subject to Section 6.03(e) below, any merger (other than as described in (a) above), consolidation, dissolution or liquidation; provided, however, that (i) immediately prior to and on a Pro Forma Basis after giving effect to such transaction no Default or Event of Default has occurred or is continuing, (ii) if such transaction involves a Person other than the Borrower and its Subsidiaries, the Administrative Agent shall promptly receive a certificate of a Financial Officer of the Borrower confirming that such transaction complies with the requirements set forth in this section and (iii) if such transaction involves the Borrower, the Borrower is the surviving entity;

(e) a disposition of less than substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole, (i) for consideration which represents fair market value (as reasonably determined in good faith by the Borrower's Board of Directors) or, at a price determined by the Board of Directors of the Borrower to be in the best interests of the Borrower under circumstances where the Board of Directors of Borrower deems a sale on terms other than fair market value to be in the best interest of the Borrower, (ii) immediately prior to and on a Pro Forma Basis after giving effect thereto, no Event of Default or Default shall have occurred and be continuing and (iii) if the transaction involves consideration of $20,000,000 or more, the Administrative Agent shall promptly receive a certificate of a Financial Officer of the Borrower confirming that such transaction complies with the requirements set forth in this section; and

(f) acquisitions of an interest in any business from any Person (whether pursuant to a merger, an acquisition of stock, assets, a business unit or otherwise); provided that (i) immediately prior to and on a Pro Forma Basis after giving effect thereto, no Event of Default or Default shall have occurred and be continuing and (ii) if the transaction involves consideration equal to or in excess of $10,000,000, the Administrative Agent shall promptly receive a certificate of a Financial Officer of the Borrower confirming that such transaction complies with the requirements set forth in this section.

SECTION 6.04. Change of Business. Engage in any business activities other than those related or incidental to its present business activities, namely, the manufacture and wholesale distribution of (i) dental supplies and equipment, (ii) medical/industrial supplies and equipment and (iii) other healthcare products; provided that (x) the business activities, described in clause (iii) shall not at any time represent more than 20% of the Consolidated Net Income of the Borrower and the Subsidiaries as of the end of the then most recently completed fiscal year of the Borrower, and (y) the assets of the business activities described in clause (iii) shall not at any time represent more than 20% of the Consolidated assets of the Borrower and the Subsidiaries.

SECTION 6.05. Transactions with Affiliates. Enter into any transactions with or provide any employee benefits to any Affiliate of the Borrower or any Subsidiary except (a) in the ordinary course of business and upon fair and reasonable terms no less favorable than the Borrower or the Subsidiary concerned could, in the good faith judgment of senior management of the Borrower, obtain or could become entitled to in an arm's-length transaction with a person or entity which was not an Affiliate of the Borrower or such Subsidiary, (b) transactions involving the Borrower and one or more Subsidiaries exclusively, (c) transactions involving two or more Subsidiaries exclusively, (d) transactions with the ESOP or other similar foreign employee stock ownership plans of Subsidiaries of the Borrower which do not materially and adversely affect the interests of the Administrative Agent or the Banks under the Fundamental Documents, and (e) transactions otherwise expressly permitted hereunder.

SECTION 6.06. Sale and Leaseback. Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, whether real or personal, and used or useful in its business, whether now owned or hereafter acquired, if the Borrower or any of its Subsidiaries at the time of such sale or disposition intends to lease or otherwise acquire the right to use or possess (except by purchase) such property or like property for a substantially similar purpose (a "Sale and Leaseback Transaction") except:

(a) the Des Plaines Lease;

(b) for any such Sale and Leaseback Transaction in which the property is sold by the Borrower to a Subsidiary or by a Subsidiary to the Borrower or another Subsidiary; or

(c) the Borrower or any Subsidiary may enter into any Sale and Leaseback Transaction if (i) at the time of such Sale and Leaseback Transaction no Default or Event of Default shall have occurred and be continuing, (ii) the proceeds from the sale of the subject property shall be equal to not less than 80% of its fair market value (as reasonably determined by the Borrower's Board of Directors) and (iii) after giving effect to such Sale and Leaseback Transaction, the aggregate book value of all assets of the Borrower and the Subsidiaries subject to Sale and Leaseback Transactions when added to the aggregate book value of assets subject to Liens permitted under Section 6.01(x) and excluding those described in paragraphs (a) and (b) above, shall not at any time exceed 10% of Consolidated Net Worth.

SECTION 6.07. Dividends by Subsidiaries. Create, incur, assume or permit to exist any agreement or instrument which has the effect of restricting or prohibiting the power, authority or legal right of such Subsidiary to declare or pay any dividend or other distribution other than, prior to the Closing Date, the Existing Credit Agreements.

SECTION 6.08. Amendments to Certain Documents. Amend, modify or otherwise change (a) any covenant or event of default in any material indenture or other material agreement or material instrument relating to any Indebtedness or (b) any of its constitutive documents, in either case in any manner materially adverse to the interests of the Administrative Agent, the Banks, or the Issuing Bank under the Fundamental Documents.

SECTION 6.09. Minimum Consolidated Net Worth. Permit Consolidated Net Worth at any time to be less than (x) $450,000,000 plus (y) 25% of aggregate Consolidated Net Income for each full fiscal quarter for which such Consolidated Net Income is positive that shall have been completed during the period from the Closing Date to the date of determination.

SECTION 6.10. Interest Coverage. Permit the Consolidated Interest Coverage Ratio at the end of any fiscal quarter to be less than 3.5 to 1.0 for the period of the four consecutive fiscal quarters then ended treated as a single accounting period.

SECTION 6.11. Debt Ratio.

(a) In the event that the Proposed Acquisition occurs no later than August 30, 2001, then upon and after the Proposed Acquisition, permit the Debt Ratio at any such time through December 31, 2002, to be greater than 0.60 to 1.0 or permit the Debt Ratio at any time after December 31, 2002, to be greater than 0.50 to 1.0.

(b) Prior to the date of the Proposed Acquisition or in the event that the Proposed Acquisition does not occur by August 30, 2001, permit the Debt Ratio at any such time through the first anniversary of the date of this Agreement to be greater than 0.55 to 1.0 or permit the Debt Ratio at any time after the first anniversary of the date of this Agreement to be greater than 0.50 to 1.0.

SECTION 6.12. Fiscal Year. Change its fiscal year or modify or change accounting treatments or reporting practices except as otherwise permitted or required by generally accepted accounting principles.

ARTICLE VII EVENTS OF DEFAULT

In the case of the happening of any of the following events (hereinafter called "Events of Default"):

(a) any representation or warranty made by the Borrower or any of the Guarantors in connection with this Agreement or any other Fundamental Document or with the execution and delivery of the Notes or the borrowings hereunder or any statement or representation made in any report, certificate, financial statement or other instrument furnished by the Borrower or any of the Guarantors to the Banks, the Issuing Bank or the Administrative Agent pursuant to this Agreement or any other Fundamental Document shall prove to have been false or misleading in any material respect when made or delivered;

(b) default shall be made in the payment of the principal of or interest on any Note or of any fees or other amounts payable by the Borrower hereunder, when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise, and, in the case of interest, such default shall continue unremedied for five Business Days;

(c) default shall be made with respect to the payment of any amount due under any agreement or other evidence of Indebtedness for borrowed money (other than the Notes) of the Borrower or any of the Subsidiaries in an aggregate outstanding principal amount of $10,000,000 or more; or any other default shall be made with respect to any such Indebtedness and such Indebtedness shall have been accelerated so that any payment in respect of such Indebtedness shall be or become due prior to its maturity or scheduled due date;

(d) default shall be made in the due observance or performance of any covenant, condition or agreement on the part of the Borrower on its own behalf or on behalf of any of the Subsidiaries or any of the Guarantors contained in Article VI or Article VIII hereof; provided that in the case of a default under Section 6.01, resulting solely from incurrence of a prohibited obligation by a Subsidiary without the approval or knowledge of any officer of the Borrower, such default shall continue unremedied for 30 days;

(e) the guaranty under Article VIII hereof shall (i) not remain in full force and effect, be declared null and void or shall not be enforceable against the Guarantors in accordance with its terms and such guaranty shall not be reinstated to full force and effect and enforceability against the Guarantors in accordance with its terms within 30 days or (ii) be disaffirmed or repudiated by the Borrower or any such Guarantor;

(f) default shall be made in the due observance or performance of any other covenant, condition or agreement to be observed or performed by the Borrower on its own behalf or on behalf of any of the Subsidiaries or any of the Guarantors pursuant to the terms hereof or of any other Fundamental Document and such default shall continue unremedied for a period equal to the sum of 30 days after such failure shall have first occurred plus an additional three Business Days;

(g) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code or any other federal or state bankruptcy, insolvency or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for the Borrower or any such Material Subsidiary or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take corporate action for the purpose of effecting any of the foregoing;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Borrower or any Material Subsidiary, or of a substantial part of its property, under Title 11 of the United States Code or any other federal or state bankruptcy, insolvency or similar law now or hereafter in effect, (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar official for the Borrower or such Material Subsidiary or for a substantial part of its property or (iii) the winding-up or liquidation of the Borrower or such Material Subsidiary; and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for 30 days;

(i) a final judgment for the payment of money (which alone, or when aggregated with all other such unpaid judgments to the extent not fully covered by insurance from financially sound and reputable insurers against the Borrower and its Subsidiaries at such time, is for $10,000,000 or more) shall be rendered against the Borrower or any of the Subsidiaries and the same shall remain undischarged for a period of 60 days or any action is taken by the judgment creditor to levy thereon;

(j) a Reportable Event or Reportable Events, or a failure to make a required payment (within the meaning of Section 412(n)(1)(A) of the Code) shall have occurred with respect to any one or more Plans or Multiemployer Plans that reasonably could be expected to result in liability of the Borrower to the PBGC or to a Plan in an aggregate amount exceeding $10,000,000 and, within 30 days after the reporting of any such Reportable Event to the Administrative Agent or after the receipt by the Administrative Agent of the statement required pursuant to Section 5.07(b)(iii) hereof, the Administrative Agent shall have notified the Borrower in writing that (i) the Required Banks have made a determination that, on the basis of such Reportable Event or Reportable Events or the receipt of such statement, there are reasonable grounds (A) for the termination of such Plan or Plans by PBGC, (B) for the appointment by the appropriate United States District Court of a trustee to administer such Plan or Plans or (C) for the imposition of a Lien in favor of a Plan and (ii) as a result thereof an Event of Default exists hereunder; or a trustee shall be appointed by a United States District Court to administer any such Plan or Plans; or the PBGC shall institute proceedings to terminate any Plan or Plans;

(k) (i) the Borrower or any of its ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan or Multiple Employer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan or Multiple Employer Plan, (ii) the Borrower or any such ERISA Affiliate does not have reasonable grounds for contesting such Withdrawal Liability and is not in fact contesting such Withdrawal Liability in a timely and appropriate manner, and (iii) the amount of such Withdrawal Liability specified in such notice, when aggregated with all other amounts required to be paid to Multiemployer Plans and Multiple Employer Plans in connection with Withdrawal Liabilities (determined as of the date or dates of such notification), exceeds $10,000,000 or requires payments exceeding $10,000,000 in any year;

(l) the Borrower or any of its ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan or Multiple Employer Plan that such Multiemployer Plan or Multiple Employer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if solely as a result of such reorganization or termination the aggregate annual contributions of the Borrower and its ERISA Affiliates to all Multiemployer Plans and Multiple Employer Plans that are then in reorganization or have been or are being terminated have been or will be increased over the amounts required to be contributed to such Multiemployer Plans for their most recently completed plan years by an amount exceeding $10,000,000 in any year; or

(m) (i) a person or two or more persons acting in concert (excluding the ESOP and any other person who holds 5% or more of the outstanding shares of voting stock of the Borrower as of the Closing Date) shall acquire beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of more than 40% of the outstanding shares of voting stock of the Borrower, or (ii) the individuals who, as of such Closing Date, are members of the Board of Directors of the Borrower (the "Incumbent Board") shall cease to constitute at least a majority of the Board of Directors of the Borrower; provided, however, that if the election, or nomination for election of any new director was approved by a vote of at least a majority of the Incumbent Board or any nominating committee thereof, such new director shall, for purposes hereof, be considered as a member of the Incumbent Board;

then, and in every such event and at any time thereafter during the continuance of such event, the Administrative Agent may (unless, in the case of each Event of Default other than that specified in paragraph (b) above, the Required Banks shall have waived such Event of Default in writing, and, in the case of an Event of Default specified in paragraph (b) above, each of the Banks shall have waived such Event of Default in writing), and, upon direction of the Required Banks, will by written notice to the Borrower, take any of the following actions, at the same or different times: (i) terminate the Commitments and (ii) declare the Notes to be forthwith due and payable, whereupon the Notes and all other fees and amounts owing hereunder shall become forthwith due and payable, both as to principal and interest, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Notes to the contrary notwithstanding. Notwithstanding the foregoing, if an Event of Default specified in paragraph (g) or (h) above occurs with respect to the Borrower or a Guarantor, the Notes shall become immediately due and payable, both as to principal and interest, without any action by the Administrative Agent and without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Notes to the contrary notwithstanding.

ARTICLE VIII GUARANTY

SECTION 8.01. Guaranty. (a) Each Guarantor hereby, jointly and severally, unconditionally and irrevocably guaranties to the Banks (for purposes of this Article VIII, the defined term "Bank" shall be deemed to include the Issuing Bank as applicable) and the Administrative Agent the due and punctual payment by and performance of the Obligations (including interest accruing on and after the filing of any petition in bankruptcy or reorganization of the applicable obligor whether or not post-filing interest is allowed in such proceeding) by the Borrower.

(b) Each Guarantor waives notice of acceptance of this guaranty and also waives presentation to, demand of payment from and protest to the Borrower of any of the Obligations, as well as notice of protest for nonpayment and all other formalities. The obligations of each Guarantor hereunder shall not be affected by (i) the failure of the Administrative Agent or the Banks to assert any claim or demand or to enforce any right or remedy against the Borrower under this Agreement or otherwise; (ii) any extension or renewal of any of the Obligations; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Agreement or any other agreement or instrument; (iv) the taking or release of any security held by the Banks or the Administrative Agent for the performance of any of the Obligations; (v) the failure of the Administrative Agent or the Banks to exercise any right or remedy against the Borrower or any other guarantor of the Obligations; (vi) any stay in bankruptcy or insolvency proceedings of the Borrower or any other Person; or (vii) the release or substitution of any other Guarantor.

(c) Each Guarantor agrees that this guaranty constitutes a guaranty of payment when due and not of collection and waives any right to require that any resort be had by the Banks or the Administrative Agent to any security held for payment of the Obligations or to any balance of any deposit account or credit on the books of the Banks or the Administrative Agent in favor of the Borrower or any other person.

SECTION 8.02. No Impairment of Guaranty. The obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense, setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of the Banks or the Administrative Agent to assert any claim or demand or to enforce any remedy under this Agreement or any other agreement or instrument, by any waiver or modification of any thereof by the Banks or the Administrative Agent, by any default, failure or delay, willful or otherwise, in the performance of the Obligations or by any other act or omission or delay to do any other act which might in any manner or to any extent vary the risk of any Guarantor or which would otherwise operate as a discharge of a guarantor as a matter of law.

SECTION 8.03. Continuation and Reinstatement, etc. Each Guarantor further agrees that this guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment on any Obligation is rescinded or must otherwise be restored by the Banks upon the bankruptcy or reorganization of the Borrower or otherwise.

SECTION 8.04. Payment, etc. (a) In furtherance of the foregoing and not in limitation of any other right which the Banks or the Administrative Agent may have at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower to pay or perform any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will, upon receipt of written demand by the Banks or the Administrative Agent, forthwith pay, or cause to be paid, in cash, to the Administrative Agent, an amount equal to the sum of (i) the unpaid principal amount of such Obligations, (ii) accrued and unpaid interest on such Obligations and (iii) all other unpaid Obligations of the Borrower to the Administrative Agent and the Banks.

(b) Each Guarantor agrees that to the fullest extent permitted by applicable law, all rights against the Borrower arising as a result of any payment by any Guarantor under this guaranty by way of right of subrogation or otherwise shall in all respects be junior and subordinate in right of payment to the prior indefeasible payment in full of all the Obligations to the Administrative Agent for the benefit of the Banks. If after the Borrower has failed to pay any Obligation when due, any amount shall be paid to any Guarantor for the account of the Borrower, such amount shall be held in trust for the benefit of the Administrative Agent and shall forthwith be paid to the Administrative Agent on behalf of the Banks to be credited and applied to the Obligations when due and payable.

(c) Each Guarantor waives notice of and hereby consents to any agreements or arrangements whatsoever by the Banks or the Administrative Agent with the Borrower, or anyone else, including agreements and arrangements for payment, extension, subordination, composition, arrangement, discharge or release of the whole or any part of the Obligations, or for the discharge or surrender of any or all security, or for compromise, whether by way of acceptance of part payment or otherwise, and the same shall in no way impair such Guarantor's liability hereunder. Nothing shall discharge or satisfy the liability of any Guarantor hereunder except the full performance and payment of the Obligations.

SECTION 8.05. Benefit to Guarantors. Each Guarantor acknowledges that it has realized a direct economic benefit as a result of the refinancing of the loans outstanding under the Existing Credit Agreements of the Borrower and the availability to it of Letters of Credit and the proceeds of Loans that have been or may in the future be made hereunder.

SECTION 8.06. Modification to Conform to Law.

(a) Without limiting the generality of Section 10.08, to the extent that applicable law (including applicable laws pertaining to fraudulent or preferential transfer) otherwise would render the full amount of the Guarantor's obligations hereunder invalid, voidable, or unenforceable on account of the amount of a Guarantor's aggregate liability under this guaranty, then, notwithstanding any other provision of this guaranty to the contrary, the aggregate amount of such liability shall, without any further action by the Administrative Agent or any of the Banks or such Guarantor or any other Person, be automatically limited and reduced to the highest amount which is valid and enforceable as determined in such action or proceeding, which (without limiting the generality of the foregoing) may be an amount which is equal to the greater of:

(i) the fair consideration actually received by such Guarantor under the terms and as a result of the Fundamental Documents (including the Contribution Agreement) and the value of the benefits derived by such Guarantor from credit granted to its Affiliates and the synergistic benefits of such affiliation and including distributions, commitments, and advances made to or for the benefit of such Guarantor with the proceeds of any credit extended under the Fundamental Documents, or

(ii) the excess of (1) the amount of the fair value of the assets of such Guarantor (as of the date of this guaranty or other date relevant to the applicable law which would render the full amount of the Guarantor's obligations hereunder invalid, voidable, or unenforceable) determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, over (2) the amount of all liabilities of such Guarantor as of such date, also as determined on the basis of applicable federal and state laws governing the insolvency of debtors.

(b) Notwithstanding anything to the contrary in this Article VIII, the guaranty hereby given in this Agreement shall be presumptively valid and enforceable to its fullest extent in accordance with its terms, as if this Section 8.06 were not a part of this guaranty, and in any related litigation the burden of proof shall be on the party asserting the invalidity, voidability, or unenforceability of any provision of this Article VIII or asserting any limitation on any Guarantor's obligations hereunder as to each element of such assertion.

SECTION 8.07. Additional Guarantors. At any time after the initial execution and delivery of this Agreement to the Administrative Agent and the Banks, additional Persons may become parties to this guaranty and thereby acquire the duties and rights of being Guarantors hereunder by executing and delivering to the Administrative Agent and the Banks a Joinder and Assumption Agreement, substantially in the form of Exhibit G hereto. No notice of the addition of any Guarantor shall be required to be given to any pre-existing Guarantor and each Guarantor hereby consents thereto and affirms that its obligations shall continue hereunder undiminished.

ARTICLE IX ADMINISTRATIVE AGENT

SECTION 9.01. Appointment of Administrative Agent. In order to expedite the various transactions contemplated by this Agreement, ABN AMRO Bank N.V. is hereby appointed to act as Administrative Agent on behalf of the Banks (for purposes of Article IX, the defined term "Bank" shall be deemed to include the Issuing Bank as applicable). Each Bank irrevocably authorizes and directs the Administrative Agent to take such action on behalf of such Bank under the terms and provisions of this Agreement and to exercise such powers hereunder as are specifically delegated to or required of the Administrative Agent by the terms and provisions hereof, together with such powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, each of the Banks hereby agrees to the provisions of that draft Intercreditor Agreement, substantially in the form of Exhibit F, and authorizes the Administrative Agent to execute and deliver an Intercreditor Agreement substantially in the form of Exhibit F for and on behalf of each of the Banks.

SECTION 9.02. Exculpation. Neither the Administrative Agent nor the Documentation Agent, nor any of their directors, officers, employees or agents shall be liable as such for any action taken or omitted by any of them hereunder except for its or his own gross negligence or willful misconduct, or be responsible for any statement, warranty or representation herein, or be required to ascertain or to make any inquiry concerning the performance or observance by the Borrower or the Guarantors of any of the terms, conditions, covenants or agreements of this Agreement. Neither the Administrative Agent nor the Documentation Agent shall be responsible to the Banks for the due execution, genuineness, validity, enforceability or effectiveness of this Agreement or any other Fundamental Document, the Notes or any other instrument to which reference is made herein. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes hereof until written notice of transfer shall have been filed with it. The Administrative Agent shall promptly notify the Borrower of any such notice received by such Administrative Agent. The Administrative Agent shall in all cases be fully protected in acting, or refraining from acting, in accordance with written instructions signed by the Banks, and, except as otherwise specifically provided herein, such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Banks. The Administrative Agent shall, in the absence of knowledge to the contrary, be entitled to rely on any paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Neither the Administrative Agent nor any of its directors, officers, employees or agents shall have any responsibility to the Borrower on account of the failure or delay in performance or breach by any Bank of any of its obligations hereunder or to any Bank on account of the failure or delay in performance or breach by any other Bank, or the Borrower, of any of their respective obligations hereunder or in connection herewith.

SECTION 9.03. Consultation with Counsel. The Administrative Agent may execute any and all duties hereunder by or through agents or employees and shall be entitled to advice of legal counsel selected by it with respect to all matters arising hereunder and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel.

SECTION 9.04. The Administrative Agent, Individually. With respect to the Loans made by it and the Notes issued to it, the Administrative Agent in its individual capacity and not as Administrative Agent shall have the same rights and powers hereunder and under any other agreement as any other Bank and may exercise the same as though it were not the Administrative Agent, and the Administrative Agent and its affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any of the Subsidiaries or other Affiliate of the Borrower or any such Subsidiary as if it were not the Administrative Agent.

SECTION 9.05. Reimbursement and Indemnification. Each Bank agrees (i) to reimburse the Administrative Agent in the amount of such Bank's proportionate share of any expenses incurred for the benefit of the Banks, including counsel fees and compensation of agents and employees paid for services rendered on behalf of the Banks, not reimbursed by the Borrower, and (ii) to indemnify and hold harmless the Administrative Agent and any of its directors, officers, employees or agents, on demand, in the amount of its proportionate share, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it or any of them in any way relating to or arising out of this Agreement, or under the other Fundamental Documents or any action taken or omitted by it or any of them under this Agreement or under the other Fundamental Documents, to the extent not reimbursed by the Borrower; provided, however, that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent or any of its directors, officers, employees or agents.

SECTION 9.06. Resignation. Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by notifying the Banks and the Borrower. Upon any such resignation, and with the consent of the Borrower (which shall be deemed to be granted if an Event of Default shall have occurred and be continuing), the Required Banks shall have the right to appoint a successor Administrative Agent which is a Bank hereunder. If no successor Administrative Agent shall have been so appointed by such Banks and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Banks, appoint a successor Administrative Agent having a combined capital and surplus of at least $300,000,000 and which is a Bank hereunder. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor bank, such successor shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under any other documents executed in connection herewith. After the Administrative Agent's resignation hereunder, the provisions of this Article IX shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent. At all times, any Administrative Agent hereunder shall be a Bank hereunder.

ARTICLE X MISCELLANEOUS

SECTION 10.01. Notices. Notices and other communications provided for herein shall be in writing and shall be delivered or mailed (or in the case of telegraphic communication, if by telegram, delivered to the telegraph company and, if by telex, telecopy, graphic scanning or other telegraphic or electronic communications equipment, delivered by such equipment) addressed at its address or number set forth on Schedule 2.01. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be effective when received.

SECTION 10.02. No Waivers; Amendments. No failure or delay of the Administrative Agent or any Bank in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Banks hereunder are cumulative and not exclusive of any rights or remedies which the Administrative Agent or any such Bank would otherwise have. No notice or demand on the Borrower shall entitle the Borrower to any other or further notice or demand in similar or other circumstances; provided that the foregoing shall not limit the right of the Borrower to any notice expressly provided for herein. No modification, amendment or waiver of any provision of this Agreement or any of the Notes nor consent to any departure of the Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by the Required Banks and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Any such modification, amendment, waiver or consent, so given, shall be effective to bind all the Banks; provided that no such modification, amendment, waiver or consent may be made which will (i) reduce or increase the amount or alter the term of any Commitment of any Bank hereunder without the written consent of such Bank; (ii) extend the time for reimbursement of any LC Disbursement or for payment of principal of or interest on any Note, or reduce the principal amount or decrease the rate of interest on any Loan or change the method of calculation provided for herein for determining the rate of interest on any Note, or vary the time for payment or reduce the amount of fees payable to any Bank hereunder, or release any Guarantor or any collateral hereunder, or change the definition of Required Banks set forth in Article I, or amend this Section 10.02 or Section 2.19, without the written consent of all the Banks; or (iii) give any Note preference over any other Note in payment of principal or interest.

SECTION 10.03. Applicable Law; Submission to Jurisdiction; Service of Process; Waiver of Jury Trial. (a) This Agreement and the Notes shall be construed in accordance with and governed by the laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York.

(b) Each of the Borrower and each Guarantor hereby irrevocably submits itself to the jurisdiction of the Supreme Court of the State of New York, New York County, and to the jurisdiction of the United States District Court for the Southern District of New York, for the purpose of any suit, action or other proceeding arising out of or relating to this Agreement, any other Fundamental Document or any related document or any of the transactions contemplated hereby or thereby, and hereby waives, and agrees not to assert, by way of motion, as a defense, or

otherwise, in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason whatsoever, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper or that this Agreement or any other Fundamental Documents or, to the full extent permitted by applicable law, any subject matter of any thereof may not be enforced in or by such courts. Neither this paragraph (b) nor paragraph (c) below shall restrict the Administrative Agent or any Bank from bringing suit or instituting other judicial proceedings against the Borrower or any Guarantor or any of their assets in any court or jurisdiction not referred to herein or therein.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notice in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

(d) EXCEPT AS PROHIBITED BY LAW, EACH PARTY HERETO HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, ANY OTHER FUNDAMENTAL DOCUMENT AND ANY OF THE OTHER DOCUMENTS OR TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN.

(e) Except as prohibited by law, each party hereto hereby waives any right it may have to claim or recover in any litigation referred to in paragraph (d) of this Section 10.03 any special, exemplary, punitive, indirect (including loss of profits) or consequential damages or any damages other than, or in addition to, actual damages; provided that if a party hereto shall obtain a final, nonappealable judgment that another party shall have intentionally and knowingly breached its obligations under this Agreement with an intention of injuring the claimant party, the claimant party may then seek consequential damages from such breaching party for its losses suffered as a result of such intentional breach.

(f) Each party hereto (i) certifies that neither any representative, agent nor attorney of any Bank has represented, expressly or otherwise, that such Bank would not, in the event of litigation, seek to enforce the foregoing waivers and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications herein.

SECTION 10.04. Expenses; Documentary Taxes. The Borrower agrees to pay all reasonable out-of-pocket expenses (i) incurred by the Administrative Agent in connection with the preparation, execution and delivery, waiver or modification and administration of this Agreement, any other Fundamental Document or any related documents or in connection with the performance of due diligence by the Administrative Agent or the syndication of the Loans (whether or not the transactions hereby contemplated shall be consummated), and (ii) incurred by the Administrative Agent in connection with the making of the Loans hereunder, or incurred by the Administrative Agent or the Banks in connection with the enforcement of this Agreement or the Loans made or the Notes issued hereunder or any other Fundamental Documents and with respect to any action which may be instituted by any person against the Banks or the Administrative Agent in respect of the foregoing (but not with respect to any act of gross negligence or willful misconduct of the

Administrative Agent or any Bank), or as a result of any transaction, action or nonaction arising from the foregoing, including, but not limited to, the fees and disbursements of Buchanan Ingersoll, PC, counsel to the Administrative Agent. The Borrower agrees that it shall indemnify the Banks and the Administrative Agent from and hold them harmless against any documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement, the Fundamental Documents or any of the Notes. The obligations of the Borrower under this Section 10.04 shall survive the termination of this Agreement and the Commitments and/or the payment of the Notes.

SECTION 10.05. Indemnity. Further, by the execution hereof, the Borrower agrees to indemnify and hold harmless the Administrative Agent, the Banks, and each of their respective affiliates and their respective directors, officers, employees and agents (each an "Indemnified Party") from and against any and all expenses, including reasonable fees and disbursements of counsel, losses, claims, damages and liabilities arising out of any claim, litigation, investigation or proceeding (whether or not the Administrative Agent or any Bank is a party thereto) relating to the financing contemplated hereby and transactions related thereto, except that Borrower shall not be required by this Section 10.05 to indemnify or hold harmless an Indemnified Party to the extent that the matters for which such Indemnified Party claims indemnification under this Section 10.05 are the result of its gross negligence or willful misconduct. The obligations of the Borrower under this Section 10.05 shall survive the termination of this Agreement and the Commitments and/or payments of the Loans.

SECTION 10.06. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Guarantors, the Administrative Agent, the Documentation Agent and the Banks and their respective successors and assigns. Neither the Borrower nor the Guarantors may assign or transfer any of their rights or obligations hereunder without the written consent of the Required Banks.

SECTION 10.07. Survival of Agreements, Representations and Warranties, etc. All warranties, representations and covenants made by the Borrower or the Guarantors herein or in any certificate or other instrument delivered by it or on its behalf in connection with this Agreement shall be considered to have been relied upon by the Banks and shall survive the making of the Loans herein contemplated, the issuance and delivery to the Banks of the Notes and the issuance, amendment, renewal or extension of any Letter of Credit regardless of any investigation made by the Banks or on their behalf and shall continue in full force and effect so long as any amount due or to become due hereunder is outstanding and unpaid and so long as the Commitments have not been terminated. All statements in any such certificate or other instrument shall constitute representations and warranties by the Borrower hereunder.

SECTION 10.08. Severability. In case any one or more of the provisions contained in this Agreement or the Notes should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 10.09. Cover Page and Section Headings. The cover page and section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

SECTION 10.10. Counterparts, Integration, Telecopy Signatures. This Agreement may be signed in any number of counterparts with the effect as if the signatures thereto were upon the same instrument. This Agreement shall become effective when copies hereof which, when taken together, bear the signatures of each of the parties hereto shall have been received by the Administrative Agent. This Agreement, the other Fundamental Documents, and all other documents, instruments, and agreements referred to herein or therein constitute the entire agreement of the parties hereto relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement or of any other Fundamental Document by telecopy transmission shall constitute effective and binding execution and delivery of this Agreement or such other Fundamental Document, as the case may be.

SECTION 10.11. Confidentiality. Each Bank agrees (which agreement shall survive the termination of this Agreement) that financial information, information from the Borrower's books and records, information concerning the Borrower's trade secrets and patents and any other information received from the Borrower hereunder and designated in writing as confidential shall be treated as confidential by such Bank, and each Bank agrees to use its best efforts to ensure that such information is not published, disclosed or otherwise divulged to anyone other than employees or officers of such Bank and its counsel and agents with a need to know such information and who have been informed of the confidentiality hereunder (as reasonably determined by such Bank); provided that it is understood that the foregoing shall not apply to:

(i) disclosure made with the prior written authorization of the Borrower;

(ii) disclosure of information (other than that received from the Borrower prior to or under this Agreement) already known by, or in the possession of such Bank without restrictions on the disclosure thereof at the time such information is supplied to such Bank by the Borrower hereunder;

(iii) disclosure of information which is required by applicable law or to a governmental agency having supervisory authority over any party hereto;

(iv) disclosure of information in connection with any suit, action or proceeding in connection with the enforcement of rights hereunder or in connection with the transactions contemplated hereby;

(v) disclosure to any bank (or other financial institution) which may acquire a participation or other interest in the Loans or rights of any Bank hereunder; provided that such bank (or other financial institution) agrees to maintain any such information to be received in accordance with the provisions of this Section 10.11;

(vi) disclosure by any party hereto to any other party hereto or their counsel or agents with a need to know such information (as reasonably determined by such party);

(vii) disclosure by any party hereto to any entity, or to any subsidiary of such an entity, which owns, directly or indirectly, more than 50% of the voting stock of such party, or to any subsidiary of such an entity; or

(viii) disclosure of information that prior to such disclosure has been public knowledge through no violation of this Agreement.

SECTION 10.12. Conversion of Currencies. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of each party hereto in respect of any sum due to any other party hereto or any holder of the obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which such sum is stated to be due hereunder (the "Agreement Currency"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, such party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of the parties contained in this Section 10.12 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

SECTION 10.13. European Monetary Union. (a) If, as a result of the implementation of European monetary union, (i) any currency ceases to be lawful currency of the nation issuing the same and is replaced by a European common currency, or (ii) any currency and a European common currency are at the same time recognized by the central bank or comparable authority of the nation issuing such currency as lawful currency of such nation and the Administrative Agent or the Required Banks shall so request in a notice delivered to the Borrower, then any amount payable hereunder by any party hereto in such currency shall instead be payable in the European common currency and the amount so payable shall be determined by translating the amount payable in such currency to such European common currency at the exchange rate recognized by the European Central Bank for the purpose of implementing European monetary union. Prior to the occurrence of the event or events described in clause (i) or (ii) of the preceding sentence, each amount payable hereunder in any currency will continue to be payable only in that currency. The Borrower agrees, at the request of the Required Banks, at the time of or at any time following the implementation of European monetary union, to enter into an agreement amending this Agreement in such manner as the Required Banks shall reasonably request in order to reflect the implementation of such monetary union and to place the parties hereto in the position they would have been in had such monetary union not been implemented.

SECTION 10.14. Co-Documentation and Co-Syndication Agents. The Co-Syndication Agents and the Co-Documentation Agents do not assume any responsibility or obligation under this Agreement or any of the other Fundamental Documents or any duties as agents for the Banks. The titles "Co-Syndication Agent" and "Co-Documentation Agent" imply no fiduciary or similar responsibility on the part of either of the Co-Syndication Agents or either of the Co-Documentation Agents to any Person and the use of such titles does not impose upon the Co-Syndication Agents or the Co-Documentation Agents any duties or obligations under this Agreement or any of the other Fundamental Documents.

[THIS AGREEMENT CONTINUES ON THE NEXT PAGE]

[SIGNATURE PAGE 1 OF __
TO FACILITY B FIVE-YEAR COMPETITIVE ADVANCE, REVOLVING CREDIT AND GUARANTY AGREEMENT]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

EXHIBIT 4.3(b)

FACILITY A 364-DAY
COMPETITIVE ADVANCE, REVOLVING CREDIT
AND GUARANTY AGREEMENT

dated as of

May 25, 2001

among

DENTSPLY INTERNATIONAL INC., as Borrower,

THE GUARANTORS NAMED HEREIN,

THE BANKS NAMED HEREIN,

ABN AMRO BANK N.V., as Administrative Agent and
Arranger and Bookrunner

and

CREDIT SUISSE FIRST BOSTON and BANK OF TOKYO-MITSUBISHI TRUST COMPANY, as Co-Syndication Agents

FIRST UNION NATIONAL BANK and HARRIS TRUST AND SAVINGS BANK, as Co-Documentation Agents

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THIS FACILITY A 364-DAY COMPETITIVE ADVANCE, REVOLVING CREDIT AND GUARANTY AGREEMENT dated as of May 25, 2001, is made by and among DENTSPLY INTERNATIONAL INC., a Delaware corporation (the "Borrower"), the Guarantors (as hereinafter defined), the Banks from time to time party hereto (individually a "Bank" and collectively the "Banks"), ABN AMRO BANK N.V., as Administrative Agent for the Banks (the "Administrative Agent") and arranger and bookrunner, and CREDIT SUISSE FIRST BOSTON and BANK OF TOKYO-MITSUBISHI TRUST COMPANY, as Co-Syndication Agents (the "Co-Syndication Agents"), and FIRST UNION NATIONAL BANK and HARRIS TRUST AND SAVINGS BANK, as Co-Documentation Agents (the "Co-Documentation Agents").

INTRODUCTORY STATEMENT

All terms not otherwise defined herein are as defined in Article I hereof.

The Borrower has requested that the Banks extend credit to the Borrower in order to enable the Borrower to borrow on a standby revolving credit basis a principal amount not in excess of $250,000,000 at any time outstanding.

The Borrower has also requested that the Banks provide a procedure pursuant to which the Borrower may invite the Banks to bid on an uncommitted basis on short-term borrowings by the Borrower.

The proceeds of all such borrowings are to be used (a) to refinance outstanding Indebtedness of the Borrower under that 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement dated as of October 23, 1997, as amended, modified, and supplemented through the date hereof, among the Borrower, the guarantors and banks, party thereto, and The Chase Manhattan Bank, as Agent, and ABN AMRO Bank N.V., as Documentation Agent, (b) for general working capital and corporate purposes, including acquisitions in the industry of Borrower or any of its Material Subsidiaries, and (c) to facilitate borrowings by offshore Subsidiaries.

To provide assurance for the repayment of the Loans and all related interest, fees, charges, expenses, reimbursement obligations and other amounts payable with respect thereto, the Guarantors will guaranty the Obligations pursuant to Article VIII hereof.

Accordingly, the Borrower, the Guarantors, the Banks and the Administrative Agent agree as follows:

ARTICLE I
DEFINITIONS

SECTION 1.01. Definitions. As used in this Agreement, the following words and terms shall have the respective meanings specified below:

"ABR Borrowing" shall mean a Borrowing comprised of ABR Loans.

"ABR Loan" shall mean any Revolving Credit Loan bearing interest at a rate determined by reference to the Alternate Base Rate in accordance with the provisions of Article II.

"Administrative Agent" shall mean ABN AMRO Bank N.V., in its capacity as agent for the Banks hereunder and not in its individual capacity as a Bank, or such successor Administrative Agent as may be appointed pursuant to Section 9.06.

"Affiliate" shall mean, with respect to the person in question, (a) any person (including any member of the immediate family of any such natural person) which (i) directly or indirectly beneficially owns or controls 10% or more of the total voting power of shares of capital stock having the right to vote for directors under ordinary circumstances (if such person is a corporation), (ii) is a general partner (if such person is a partnership) or (iii) is otherwise empowered, by contract, voting trust or otherwise, to direct the business or affairs of such person, (b) any person controlling, controlled by or under common control with any such person (within the meaning of Rule 405 under the Securities Act of 1933), and (c) any director, general partner or executive officer of any such person.

"Agreement" shall mean this Facility A 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement dated as of May 25, 2001, among DENTSPLY International Inc., as Borrower, the Guarantors (as hereinafter defined), the Banks from time to time party hereto, ABN AMRO Bank N.V., as Administrative Agent and arranger and bookrunner, and Credit Suisse First Boston and Bank Of Tokyo-Mitsubishi Trust Company, as Co-Syndication Agents, and First Union National Bank and Harris Trust And Savings Bank, as Co-Documentation Agents, as the same may be amended, modified or supplemented from time to time.

"Alternate Base Rate" shall mean for any day, a rate per annum (rounded upwards, if not already a whole multiple of 1/16 of 1%, to the next higher 1/16 of 1%) equal to the greatest of (a) the Prime Rate in effect on such day or (b) the Federal Funds Effective Rate in effect for such day plus 1/2 of 1%. For purposes hereof, the term "Prime Rate" shall mean the rate per annum announced by ABN AMRO Bank N.V. from time to time as its prime rate in effect at its principal office in Chicago, Illinois; each change in the Prime Rate shall be effective on the date such change is announced as effective. "Federal Funds Effective Rate" shall mean, for any period, a fluctuating interest rate per annum equal for each day during such period to the weighted average of the rates on overnight federal funds transactions with members of the Federal Reserve System arranged by federal funds brokers, as published on the succeeding Business Day by the Federal Reserve Bank of New York, or, if such rate is not so published for any day which is a Business Day, the average of the quotations for the day of such transactions received by the Administrative Agent from three federal funds brokers of recognized standing selected by it. Any change in the Alternate Base Rate due to a change in the Federal Funds Effective Rate shall be effective on the effective date of such change in the Federal Funds Effective Rate. If for any reason the Administrative Agent shall have determined (which determination shall be conclusive absent manifest error) that it is unable to ascertain the Federal Funds Effective Rate for any reason, including the inability or failure of the Administrative Agent to obtain sufficient publications or quotations in accordance with the terms hereof, the Alternate Base Rate shall be the Prime Rate until the circumstances giving rise to such inability no longer exist.

"Alternate Currency" means, with respect to any Loan, the euro, British Pounds Sterling, Swiss Francs, Deutsche Marks and any other currency requested by the Borrower and approved by each Bank that is freely tradeable and exchangeable into Dollars in the London market and for which an Exchange Rate can be determined by reference to the Reuters World Currency Page or another publicly available service for displaying exchange rates.

"Applicable Commitment Percentage" means, with respect to any Bank, the percentage of the total Commitments represented by such Bank's Commitment. If the Commitments have terminated or expired, the Applicable Commitment Percentages shall be determined based upon the Commitments most recently in effect, giving effect to any assignments.

"Applicable Percentage" shall mean on any date, with respect to the Facility Fee or the Usage Fee or the Loans comprising any LIBOR Revolving Credit Borrowing, as the case may be, the corresponding applicable percentage set forth in the table below based upon the Debt Rating of the Borrower (determined in accordance with Section 2.09(e)):

Debt Rating: S&P and Moody's Respectively	Facility Fee: Applicable Percentage	LIBOR: Applicable Percentage	Usage Fee: Applicable Percentage
A or above, or A2 or above	7.5	32.5	10.0
A- or A3	8.0	42.0	12.5
BBB+ or Baa1	10.0	52.5	12.5
BBB or Baa2	15.0	60.0	15.0
BBB- or Baa3	25.0	75.0	25.0
BB+ or Ba1	35.0	115.0	25.0
BB or below or unrated, or Ba2 or below or unrated	50.0	175.0	25.0

For purposes of determining the Applicable Percentage:

(a) If a difference exists in the Debt Ratings of Moody's and Standard & Poor's, the higher of such Debt Ratings will determine the relevant pricing level,

(b) Any change in the Applicable Percentage shall become effective five (5) Business Days after any public announcement of the change in the Debt Rating.

"Assignment and Acceptance" shall mean an agreement in the form of Exhibit E hereto entered into pursuant to Section 2.23, executed by the assignor, assignee and other parties as contemplated thereby.

"Bank" and "Banks" shall mean the financial institutions listed on Schedule 2.01 and any assignee of a Bank pursuant to Section 2.23(b) or (c).

"Board" shall mean the Board of Governors of the Federal Reserve System of the United States.

"Borrowing" shall mean a group of Loans of a single Interest Rate Type made by the Banks (or in the case of a Competitive Borrowing, by the Bank or Banks whose Competitive Bids have been accepted pursuant to Section 2.04) on a single date and as to which a single Interest Period is in effect.

"Business Day" shall mean any day not a Saturday, Sunday or legal holiday in the States of Illinois or New York or the Commonwealth of Pennsylvania on which banks and the Federal Reserve Bank of New York are open for business in New York City; provided, however, that when used in connection with a LIBOR Loan the term "Business Day" shall also exclude any day on which banks are not open for dealings in deposits in the relevant currency in the London interbank market and when used in connection with a LIBOR Loan denominated in euro, the term "Business Day" shall also exclude any day which is not a TARGET Day.

"Calculation Date" shall mean the last Business Day of each calendar quarter, provided that during the continuance of an Event of Default, "Calculation Date" shall mean each Business Day during which such Event of Default continues to exist.

"Capitalized Lease Obligations" shall mean any obligation of a Person as lessee of any property (real, personal or mixed), which, in accordance with generally accepted accounting principles, is or should be accounted for as a capital lease on the balance sheet of such Person.

"Change in Law" means (a) the adoption of any law, rule, or regulation after the date of this Agreement, (b) any change in any law, rule, or regulation or in the interpretation or application thereof by any Governmental Authority after the date if this Agreement or (c) compliance by any Bank or the Issuing Bank (or for purposes of Section 2.16(b), by any lending office of such Bank or by such Bank's or the Issuing Bank's holding company, if any) with any request, guideline, or directive (whether or not having the force of law) of any Governmental Authority made or issued after the date of this Agreement.

"Closing Date" shall mean the date of the first Borrowing under the Facility B Credit Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as the same shall be amended from time to time.

"Commitment" shall mean, with respect to each Bank, the commitment of such Bank hereunder as initially set forth on Schedule 2.01 (and thereafter on Schedule 2.01 to the most recent Assignment and Acceptance) as such Bank's Commitment may be permanently terminated, reduced, increased or extended from time to time pursuant to Section 2.12. Subject to Section 2.12, the Commitments shall automatically and permanently terminate on the Maturity Date.

"Competitive Bid" shall mean an offer by a Bank to make a Competitive Loan pursuant to Section 2.04.

"Competitive Bid Accept/Reject Letter" shall mean a notification made by the Borrower pursuant to Section 2.04(d) in the form of Exhibit A-4.

"Competitive Bid Rate" shall mean, as to any Competitive Bid made by a Bank pursuant to Section 2.04(b), (a) in the case of a LIBOR Loan, the Margin and (b) in the case of a Fixed Rate Loan, the fixed rate of interest offered by the Bank making such Competitive Bid.

"Competitive Bid Request" shall mean a request made pursuant to Section 2.04 in the form of Exhibit A-1.

"Competitive Borrowing" shall mean a borrowing consisting of a Competitive Loan or concurrent Competitive Loans from the Bank or Banks whose Competitive Bids for such Borrowing have been accepted by the Borrower under the bidding procedure described in Section 2.04.

"Competitive Loan" shall mean a Loan from a Bank to the Borrower pursuant to the bidding procedure described in Section 2.04. Each Competitive Loan shall be a LIBOR Competitive Loan or a Fixed Rate Loan.

"Competitive Loan Exposure" shall mean, with respect to any Bank at any time, the aggregate principal amount of the outstanding Competitive Loans of such Bank.

"Competitive Note" shall mean a promissory note of the Borrower in the form of Exhibit B-1 executed and delivered as provided in Section 2.08.

"Consolidated" shall mean, as applied to any financial or accounting term, such term determined on a consolidated basis in accordance with generally accepted accounting principles (except as otherwise required herein) for the Borrower and each Subsidiary which is a Consolidated Subsidiary of the Borrower.

"Consolidated EBITDA" shall mean for any period "Operating income" as set forth in the DENTSPLY International Inc. Consolidated Statements of Income, plus depreciation and amortization (to the extent previously deducted), determined in accordance with generally accepted accounting principles and in a manner consistent with the accounting principles used to prepare the audited DENTSPLY International Inc. Consolidated Statements of Income for the year ended December 31, 2000, and delivered to the Administrative Agent; provided that there shall be excluded:

(a) the income (or loss) from operations of any person, accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the person whose income is being determined or a subsidiary of such person; and

(b) the income (or loss) from operations of any person (other than a Subsidiary) in which the person whose operating income is being determined or any subsidiary of such person has an ownership interest, except to the extent that any such income has actually been received by such person in the form of cash dividends or similar distributions.

"Consolidated Interest Coverage Ratio" shall mean, in respect of any fiscal period of the Borrower, (a) Consolidated EBITDA divided by (b) Consolidated Interest Expense.

"Consolidated Interest Expense" shall mean, for any fiscal period of the Borrower, without duplication of expense among fiscal periods (a) the aggregate amount determined on a Consolidated basis of (i) all interest on Indebtedness of the Borrower and its Consolidated Subsidiaries accrued during such period, (ii) all rentals imputed as interest accrued under Capitalized Lease Obligations during such period by such person and (iii) all amortization of discount and expense relating to Indebtedness of the Borrower and its Consolidated Subsidiaries which amortization was accounted for during such period, (b) adjusted downward for capital gains and upward for capital losses on maturing U.S. Treasury obligations and (c) adjusted downward for interest income (to the extent not previously excluded), as determined in accordance with generally accepted accounting principles.

"Consolidated Net Income" shall mean the net income (or net loss) of the Borrower and its Consolidated Subsidiaries for the period in question (taken as a whole), as determined in accordance with generally accepted accounting principles; provided that there shall be excluded:

(a) the net income (or net loss) of any person, accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the person whose net income is being determined or a subsidiary of such person; and

(b) the net income (or net loss) of any person (other than a Subsidiary) in which the person whose net income is being determined or any subsidiary of such person has an ownership interest, except to the extent that any such income has actually been received by such person in the form of cash dividends or similar distributions.

"Consolidated Net Worth" shall mean, as at any date of determination, the sum of the capital stock (less treasury stock) and additional paid-in capital plus retained earnings (or minus accumulated deficit) of the Borrower and its Consolidated Subsidiaries on a Consolidated basis.

"Consolidated Subsidiary" means, in the case of the Borrower at any date, any Subsidiary or other entity the accounts of which are Consolidated with those of the Borrower in the Consolidated financial statements of the Borrower as of such date.

"Consolidated Total Capitalization" shall mean the sum of (a) Consolidated Total Indebtedness and (b) Consolidated Net Worth.

"Consolidated Total Indebtedness" shall mean the Consolidated Indebtedness of the Borrower and its Consolidated Subsidiaries.

"Contribution Agreement" shall mean a Contribution Agreement among the Borrower and the Guarantors substantially in the form of Exhibit C hereto.

"Credit Exposure" means, in respect of any Bank, the sum of such Bank's Revolving Credit Exposure and its Competitive Loan Exposure.

"Debt Rating" shall mean the rating by each of Standard & Poor's and Moody's of the Borrower's senior unsecured long-term debt which is not guarantied by any Person or subject to any other credit enhancement.

"Debt Ratio" shall mean the ratio of Consolidated Total Indebtedness to Consolidated Total Capitalization.

"Default" shall mean an Event of Default or any event, act or condition which with notice or lapse of time, or both, would constitute an Event of Default.

"Des Plaines Lease" shall mean the Amended and Restated Sale and Leaseback Agreement, dated as of August 1, 1991 between McDonough Partners I as Buyer and Midwest Dental Products Corporation, as Seller.

"Dollar Equivalent" means

(a) as to any Loan denominated in Dollars, the principal amount thereof, and

(b) as to any Loan denominated in an Alternate Currency, the amount in Dollars which is equivalent to the principal amount thereof, determined by the Administrative Agent pursuant to Section 1.03(a) using the Exchange Rate with respect to such Alternate Currency at the time in effect.

"Dollars", "dollars" and the symbol "$" shall mean the lawful currency of the United States of America.

"Effective Date" shall mean the date on which the conditions to borrowing set forth in Sections 4.01 and 4.02 are first satisfied.

"Environmental Laws" shall mean all statutes, ordinances, orders, rules and regulations relating to environmental matters, including those relating to fines, orders, injunctions, penalties, damages, contribution, cost recovery compensation, losses or injuries resulting from the release or threatened release of Hazardous Materials and to the generation, use, storage, transportation, or disposal of Hazardous Materials or in any manner applicable to the Borrower or any of the Subsidiaries or any of their respective properties, including the Comprehensive Environmental Response, Compensation, and Liability Act (42 U.S.C. ss. 9601 et seq.), the Hazardous Material Transportation Act (49 U.S.C. ss. 1801 et seq.), the Resource Conservation and Recovery Act (42 U.S.C.ss. 6901 et seq.), the Federal Water Pollution Control Act (33 U.S.C.ss. 1251 et seq.), the Clean Air Act (42 U.S.C. ss. 7401 et seq.), the Toxic Substances Control Act (15 U.S.C. ss. 2601 et seq.), the Occupational Safety and Health Act (29 U.S.C.ss. 651 et seq.) and the Emergency Planning and Community Right-to-Know Act (42 U.S.C. ss. 11001 et seq.), each as amended or supplemented, and any analogous current or future federal, state or local statutes and regulations promulgated pursuant thereto.

"ERISA" shall mean the Employee Retirement Income Security Act of 1974, as the same may from time to time be amended.

"ERISA Affiliate" shall mean with respect to the Borrower, any trade or business (whether or not incorporated) which is a member of a group of which the Borrower is a member and which is under common control within the meaning of Section 414 of the Code.

"ESOP" shall mean the DENTSPLY Employee Stock Ownership Plan effective as of December 1, 1982 and restated as of January 1, 1991.

"Event of Default" shall mean any of the events described in clauses (a) through (m) of Article VII.

"Exchange Rate" means, on any day, with respect to any Alternate Currency, the rate at which such Alternate Currency may be exchanged into Dollars, as set forth at approximately 11:00 a.m., London time, on such date on the Reuters World Currency Page for such Alternate Currency. In the event that such rate does not appear on any Reuters World Currency Page, the Exchange Rate shall be determined by reference to the applicable Bloomberg System page, or, in the event that such rate does not appear on such page, such other publicly available service for displaying exchange rates as may be agreed upon by the Administrative Agent and the Borrower, or, in the absence of such agreement, such Exchange Rate shall instead be the spot rate of exchange of the Administrative Agent in the market where its foreign currency exchange operations in respect of such Alternate Currency are then being conducted, at or about 11:00 a.m., London time, on such date for the purchase of Dollars for delivery two Business Days later; provided that if at the time of any such determination, for any reason, no such spot rate is being quoted, the Administrative Agent may use any reasonable method it deems appropriate to determine such rate, and such determination shall be conclusive absent manifest error.

"Execution Date" shall mean the date of this Agreement.

"Facility B Credit Agreement" shall mean the $250,000,000, Facility B Five-Year Competitive Advance, Revolving Credit and Guaranty Agreement dated as of the date hereof among the Borrower, the guarantors, the banks party thereto, ABN AMRO Bank N.V., as administrative agent and arranger and bookrunner, and Credit Suisse First Boston and Bank Of Tokyo-Mitsubishi Trust Company, as Co-Syndication Agents, and First Union National Bank and Harris Trust And Savings Bank, as Co-Documentation Agents, as amended, modified and supplemented from time to time.

"Facility Fee" shall have the meaning given such term in Section 2.07 hereof.

"Fee Letter" shall mean that letter, dated as of March 19, 2001, given by Administrative Agent to, and executed by, Borrower, as amended, modified, and supplemented from time to time.

"Financial Officer" of any person shall mean its Senior Vice President-Chief Financial Officer, Treasurer or Controller.

"Fixed Rate Borrowing" shall mean a Borrowing comprised of Fixed Rate Loans.

"Fixed Rate Loan" shall mean any Competitive Loan bearing interest at a fixed percentage rate per annum (expressed in the form of a decimal to no more than four decimal places) specified by the Bank making such Loan in its Competitive Bid.

"Fundamental Documents" shall mean this Agreement, the Contribution Agreement, the Competitive Notes, the Revolving Credit Notes, and the Fee Letter.

"Governmental Authority" shall mean any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, or any central bank or court, in each case whether of the United States or other jurisdiction, or any political subdivision thereof.

"Guarantors" shall mean all Material Subsidiaries which are incorporated in the United States, all of which are listed on Schedule1.01, and any other Subsidiaries of the Borrower which become Guarantors pursuant to Section 5.11.

"Guaranty", "Guarantied" or to "Guaranty" as applied to any obligation shall mean and include (a) a guaranty (other than by endorsement of negotiable instruments for collection in the ordinary course of business), directly or indirectly, in a manner, of any part (to the extent of such part) or all of such obligation and (b) an agreement, direct or indirect, contingent or otherwise, and whether or not constituting a guaranty, the intention or practical effect of which is to assure the payment or performance (or payment of damages or compensation in the event of nonperformance) of any part (to the extent of such part) or all of such obligation whether by (i) the purchase of securities or obligations, (ii) the purchase, sale or lease (as lessee or lessor) of property or the purchase or sale of services primarily for the purpose of enabling the obligor with respect to such obligation to make any payment or performance (or payment of damages or compensation in the event of nonperformance) of or on account of any part or all of such obligation, or to assure the owner of such obligation against loss, (iii) the supplying of funds to or in any other manner investing in the obligor or any other person with respect to or on account of such obligation, (iv) repayment of amounts drawn by beneficiaries of letters of credit or arising out of the import of goods or (v) the indemnifying or holding harmless, in any way, of a person against any part (to the extent of such part) or all of such person's obligation under a Guaranty except for hold harmless agreements with vendors with respect to product liability and warranties to customers.

"Hazardous Materials" shall mean any hazardous substances or wastes as such terms are defined in any applicable Environmental Law, including (a) oil, petroleum and any by-product thereof and (b) asbestos and asbestos-containing material.

"Indebtedness" shall mean, with respect to any person (a) all obligations of such person for borrowed money or with respect to bankers' acceptances, deposits, or advances of any kind, (b) all obligations of such person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such person upon which interest charges are customarily paid, except for debt obligations of any Subsidiary of Borrower located in Brazil which are related to foreign accounts receivable sold to certain banks, (d) all obligations of such person for the deferred purchase price of property or services (except (i) accounts payable to suppliers incurred in the ordinary course of business and paid within one year, (ii) non-interest-bearing notes payable to suppliers incurred in the ordinary course of business and having a maturity date not later than one year after the date of issuance thereof, and (iii) payroll and other accruals arising in the ordinary course of business), (e) all obligations of such person under conditional sale or other title retention agreements relating to property purchased by such person, (f) all Capitalized Lease Obligations, including obligations arising from sale and leaseback transactions which are required to be accounted for as Capitalized Lease Obligations, (g) all Indebtedness of others which is secured by (or for which the holder of such Indebtedness has an existing right, contingent or otherwise, to be secured by) a Lien on the property or assets of the person in question (the amount of such Indebtedness taken into account for the purposes of this clause (g) not to exceed the book value of such property or assets), (h) all Guaranties of such person, and (i) all obligations of such person in respect of interest rate protection agreements, foreign currency exchange agreements, or other interest, exchange rate, or commodity hedging transactions (the amount of such Indebtedness for purposes of this clause (i) to be the termination value of such agreement or arrangement); provided, however, that there shall be excluded from this definition (x) Indebtedness between the Borrower and any domestic Subsidiary and (y) Indebtedness between domestic Subsidiaries; provided further, however, that any Indebtedness owed to a domestic Subsidiary remaining outstanding after that Subsidiary ceases to be a Subsidiary shall be included as Indebtedness hereunder.

"Intercreditor Agreement" shall mean an Intercreditor Agreement, by and among the Administrative Agent on behalf of the Banks and itself, The Prudential Insurance Company of America, on behalf of Noteholders described therein, Borrower, and the Guarantors, as the same may be amended, modified or supplemented from time to time.

"Interest Payment Date" shall mean, with respect to any Loan, the last day of the Interest Period applicable thereto and, in the case of a LIBOR Loan with an Interest Period of more than three months' duration or a Fixed Rate Loan with an Interest Period of more than 90 days' duration, each day that would have been an Interest Payment Date had successive Interest Periods of three months' duration or 90 days' duration, as the case may be, been applicable to such Loan, and, in addition, the date of any continuation or conversion of the Interest Rate Type applicable to such Loan with or to a Loan of a different Interest Rate Type.

"Interest Period" shall mean (a) as to any LIBOR Borrowing, the period commencing on the date of such Borrowing or on the last day of the immediately preceding Interest Period applicable to such Borrowing, as the case may be, and ending on the numerically corresponding day (or, if there is no numerically corresponding day, on the last day) in the calendar month that is 1, 2, 3 or 6 months thereafter, as the Borrower may elect, (b) as to any ABR Borrowing, the period commencing on the date of such Borrowing and ending on the earliest of (i) the next succeeding March 31, June 30, September 30 or December 31, (ii) the Maturity Date and (iii) the date such Borrowing is continued or converted to a Borrowing of a different Interest Rate Type in accordance with Section 2.06 or prepaid in accordance with Section 2.13 and (c) as to any Fixed Rate Borrowing, the period commencing on the date of such Borrowing and ending on the date specified in the Competitive Bids in which the offer to make the Fixed Rate Loans comprising such Borrowing were extended, which shall not be earlier than 7 days after the date of such Borrowing or later than 360 days after the date of such Borrowing; provided, however, that if any Interest Period would end on a day other than a Business Day, such Interest Period shall be extended to the next succeeding Business Day unless, in the case of LIBOR Loans only, such next succeeding Business Day would fall in the next calendar month, in which case such Interest Period shall end on the next preceding Business Day. Interest shall accrue from and including the first day of an Interest Period to but excluding the last day of such Interest Period.

"Interest Rate Type", when used in respect of any Loan or Borrowing, shall refer to the Rate by reference to which interest on such Loan or on the Loans comprising such Borrowing is determined. For purposes hereof, "Rate" shall mean LIBOR, the Alternate Base Rate or the Fixed Rate, as applicable.

"Law" shall mean any law (including common law), constitution, statute, treaty, regulation, rule, ordinance, opinion, release, ruling, order, injunction, writ, decree, bond, judgment, authorization or approval, lien or award of or settlement agreement with any Governmental Authority.

"LIBOR" shall mean, with respect to any LIBOR Borrowing for any Interest Period, an interest rate per annum (rounded upwards, if necessary, to the next 1/16th of 1%) equal to the rate at which deposits in the applicable currency approximately equal in principal amount to (a) in the case of a Revolving Credit Borrowing, the Administrative Agent's portion of such LIBOR Borrowing and (b) in the case of a Competitive Borrowing, a principal amount that would have been the Administrative Agent's portion of such Competitive Borrowing had such Competitive Borrowing been a Revolving Credit Borrowing, and for a maturity comparable to such Interest Period are offered to the principal London office of the Administrative Agent in immediately available funds in the London interbank market at approximately 11:00 a.m., London time, two Business Days prior to the commencement of such Interest Period.

"LIBOR Borrowing" shall mean a Borrowing comprised of LIBOR Loans.

"LIBOR Competitive Loan" shall mean any Competitive Loan bearing interest at a rate determined by reference to LIBOR in accordance with the provisions of Article II.

"LIBOR Loan" shall mean any LIBOR Competitive Loan or LIBOR Revolving Credit Loan.

"LIBOR Revolving Credit Loan" shall mean any Revolving Credit Loan bearing interest at a rate determined by reference to LIBOR in accordance with the provisions of Article II.

"Lien" shall mean any mortgage, pledge, security interest, encumbrance, lien or charge of any kind whatsoever (including any conditional sale or other title retention agreement, any lease in the nature thereof, and the filing or agreement to give any financing statement under the Uniform Commercial Code of any jurisdiction other than a financing statement filed or given as a precautionary measure in respect of a lease which is not required to be accounted for as a Capitalized Lease Obligation and which does not otherwise secure an obligation that constitutes Indebtedness).

"Loan" shall mean a Competitive Loan or a Revolving Credit Loan, whether made as a LIBOR Loan, an ABR Loan or a Fixed Rate Loan, as permitted hereby.

"Margin" shall mean, as to any LIBOR Competitive Loan, the margin (expressed as a percentage rate per annum in the form of a decimal to four decimal places) to be added to or subtracted from LIBOR in order to determine the interest rate applicable to such Loan, as specified in the Competitive Bid relating to such Loan.

"Material Subsidiary" shall mean any Subsidiary incorporated or otherwise organized in the United States (i) the consolidated net income of which for the most recent fiscal year of the Borrower for which audited financial statements have been delivered pursuant to Section 5.05 were greater than or equal to 5% of Consolidated Net Income for such fiscal year, (ii) the consolidated tangible assets of which as of the last day of the Borrower's most recently ended fiscal year were greater than or equal to 5% of the Borrower's consolidated tangible assets as of such date or (iii) the net worth of which as of the last day of the Borrower's most recently ended fiscal year was greater than or equal to 5% of Consolidated Net Worth as of such date; provided that, if at any time the aggregate amount of the consolidated net income, consolidated tangible assets or consolidated net worth of all Subsidiaries incorporated or otherwise organized in the United States that are not Material Subsidiaries exceeds 15% of consolidated net income for any such fiscal year, 15% of the Borrower's consolidated tangible assets as of the end of any such fiscal year or 15% of Consolidated Net Worth for any such fiscal year, the Borrower (or, in the event the Borrower has failed to do so within 10 days, the Administrative Agent) shall designate as "Material Subsidiaries" Subsidiaries incorporated or otherwise organized in the United States sufficient to eliminate such excess, and such designated Subsidiaries incorporated in the United States shall for all purposes of this Agreement constitute Material Subsidiaries.

"Maturity Date" shall mean May 24, 2002 or such other Maturity Date then in effect pursuant to Section 2.12(e).

"Moody's" shall mean Moody's Investors Service, Inc. and its successors.

"Multiemployer Plan" shall mean a multiemployer plan as defined in Section 4001(a)(3) of ERISA to which the Borrower or any ERISA Affiliate of the Borrower is making or accruing an obligation to make contributions, or has within any of the preceding five plan years made or accrued an obligation to make contributions.

"Multiple Employer Plan" shall mean a Plan which has two or more contributing sponsors (including the Borrower or any ERISA Affiliate) at least two of which are not under common control, as such a Plan is described in Sections 4063 and 4064 of ERISA.

"Notes" shall mean the Competitive Notes and the Revolving Credit Notes.

"Obligations" shall mean the obligation of the Borrower to make due and punctual payments of principal of and interest on the Loans, the Facility Fee and all other monetary obligations of the Borrower to the Administrative Agent or any Bank under this Agreement, the Notes or the Fundamental Documents.

"PBGC" shall mean the Pension Benefit Guaranty Corporation referred to and defined in ERISA.

"person" or "Person" shall mean any natural person, corporation, trust, association, company, partnership, limited liability company, joint venture or government, or any agency or political subdivision thereof.

"Plan" shall mean any employee plan (including a Multiple Employer Plan but not a Multiemployer Plan) which is subject to the provisions of Title IV of ERISA and which is maintained for employees of the Borrower or any ERISA Affiliate of the Borrower.

"Pro Forma Basis" shall mean, in connection with an acquisition or disposition by or merger involving the Borrower or any Subsidiary, a computation of compliance with the requirements of this Agreement for the immediately preceding four full fiscal quarters or other relevant period assuming that such acquisition, disposition or merger had occurred at the beginning of such period. Such computation shall take into account the relevant financial information with respect to the acquired, disposed of, or merged entity for such period and shall assume that any Indebtedness incurred in connection with such acquisition, disposition or merger had been incurred at the beginning of such period; provided, however, in order to avoid double-counting, it is acknowledged that if the Borrower or any Subsidiary incurs Indebtedness in connection with such a transaction and repays Indebtedness of the acquired, disposed of or merged entity, the Indebtedness so repaid shall not be included as Indebtedness of such entity for such period.

"Prohibited Transaction" shall mean any prohibited transaction as described in Section 4975 of the Code or Section 406 of ERISA for which neither an individual nor a class exemption has been issued by the U.S. Department of Labor.

"Proposed Acquisition" shall mean that acquisition reflected in the confidential projected income statement, statement of cash flow, and balance sheet, dated as of May 9, 2001, and entitled, "Acquisition Consolidated," which has been made available to the Banks and the Administrative Agent, provided that in making the Proposed Acquisition, Borrower and its Subsidiaries shall not violate Regulations T, U, or X and, to the extent that any credit provided hereunder shall be utilized to purchase or carry margin stock (as such terms are defined in Regulation U) in connection with the Proposed Acquisition, Borrower shall provide to the Administrative Agent such forms as are required by Regulation U and the value of such margin stock, together with all other margin stock, held by Borrower (if it is making the acquisition) or of any Subsidiary which is making the acquisition shall not exceed 25% of the value of the assets (as such values are determined in accordance with Regulation U) of the person making the acquisition; and, for purposes of Section 6.11, the Proposed Acquisition shall be deemed to occur on the date on which an amount in excess of $1,000,000 (or its Dollar Equivalent) is expended or committed to be expended by any one or more of Borrower or any of its Subsidiaries in consideration of such acquisition.

"Reduction Date" shall have the meaning given in Section 2.12(c) hereof.

"Register" shall be as defined in Section 2.23(e).

"Regulation D" shall mean Regulation D of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation T" shall mean Regulation T of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation U" shall mean Regulation U of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Regulation X" shall mean Regulation X of the Board, as the same is from time to time in effect, and all official rulings and interpretations thereunder or thereof.

"Reportable Event" shall mean any reportable event as defined in Section 4043(c) of ERISA or the regulations issued thereunder.

"Required Banks" shall mean at any time Banks holding (i) greater than 50% of the Commitments and (ii) greater than 50% of the principal amount of Loans then outstanding; provided that in order to terminate the Commitments or declare the Notes to be forthwith due and payable pursuant to Article VII hereof, "Required Banks" shall mean Banks holding greater than 50% of the aggregate principal amount then outstanding of Credit Exposures.

"Reset Date" is defined at Section 1.03.

"Revolving Credit Borrowing" shall mean a Borrowing consisting of simultaneous Revolving Credit Loans from each of the Banks.

"Revolving Credit Borrowing Request" shall mean a request made pursuant to Section 2.05 in the form of Exhibit A-5.

"Revolving Credit Exposure" shall mean, with respect to any Bank at any time, the sum of (a) the outstanding Dollar Equivalent principal amount of such Bank's Revolving Credit Loans denominated in Dollars, and (b) the Dollar Equivalent of the outstanding principal amount of such Bank's Revolving Credit Loans denominated in Alternate Currencies.

"Revolving Credit Loans" shall mean the revolving loans made by the Banks to the Borrower pursuant to Section 2.05. Each Revolving Credit Loan shall be a LIBOR Revolving Credit Loan or an ABR Loan.

"Revolving Credit Note" shall mean a promissory note of the Borrower in the form of Exhibit B-2, executed and delivered as provided in Section 2.08.

"Senior Officer" shall mean the Chairman, Vice Chairman, President and Senior Vice Presidents of the Borrower.

"Standard & Poor's" and "S&P" shall mean Standard & Poor's Rating Services, a division of The McGraw-Hill Companies, Inc., and its successors.

"Statutory Reserves" shall mean with respect to LIBOR, a fraction (expressed as a decimal) the numerator of which is the number one and the denominator of which is one minus the aggregate of the maximum reserve requirements (including any marginal, special, emergency or supplemental reserves) established by the Board or any other banking authority to which a Bank is subject for Eurocurrency Liabilities (as defined in Regulation D). Such reserve percentages shall include those imposed under Regulation D. LIBOR Loans shall be deemed to constitute Eurocurrency Liabilities and as such shall be deemed to be subject to such reserve requirements without benefit of or credit for proration, exceptions or offsets which may be available from time to time to any Bank under Regulation D. Statutory Reserves shall be adjusted automatically on and as of the effective date of any change in any reserve percentage.

"subsidiary" shall mean, with respect to any person, any corporation, association or other business entity of which more than 50% of the securities or other ownership interests having ordinary voting power is, at the time of which any determination is being made, owned or controlled by such person or one or more subsidiaries of such person.

"Subsidiary" shall mean a subsidiary of the Borrower.

"TARGET Day" shall mean any day on which the Trans-European Automated Real-time Gross Settlement Express Transfer (TARGET) System (or, if such clearing system ceases to be operative, such other clearing system (if any) determined by the Administrative Agent to be a suitable replacement) is operating.

"Total Commitment" shall mean the aggregate amount of the Banks' Commitments, as in effect at such time.

"Withdrawal Liability" shall mean liability to a Multiemployer Plan as a result of a complete or partial withdrawal from such Multiemployer Plan, as such terms are defined in Part I of Subtitle E of Title IV of ERISA, or liability to a Multiple Employer Plan pursuant to Section 4062(e), 4063, or 4064 of ERISA.

SECTION 1.02. Accounting Terms and Determinations. All accounting terms not specifically defined herein shall be construed in accordance with generally accepted accounting principles and practices consistent in all material respects (except for changes with which the Borrower's independent auditors concur and as to which Borrower shall notify the Administrative Agent in writing prior to the effectiveness thereof) with those applied in the preparation of the financial statements referred to in Section 3.05(a) (and references herein to generally accepted accounting principles shall mean generally accepted accounting principles as so applied) and all financial data submitted pursuant to this Agreement shall be prepared in accordance with such principles and practices, except as otherwise expressed herein. The definitions in this Article I shall apply equally to both the singular and plural forms of the terms defined. Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include", "includes" and "including" as used in this Agreement and any Exhibit or Schedule hereto shall be deemed in each case to be followed by the phrase "without limitation".

SECTION 1.03. Exchange Rates. (a) Not later than 1:00 p.m., London time, on each Calculation Date, the Administrative Agent shall (i) determine the Exchange Rate as of such Calculation Date with respect to each Alternate Currency and (ii) give notice thereof to the Banks and the Borrower. The Exchange Rates so determined shall become effective on the first Business Day immediately following the relevant Calculation Date (a "Reset Date"), shall remain effective until the next succeeding Reset Date, and shall for all purposes of this Agreement (other than Section 10.12 or any other provision expressly requiring the use of a current Exchange Rate) be the Exchange Rates employed in converting any amounts between Dollars and Alternate Currencies.

(b) Not later than 5:00 p.m., London time, on each Reset Date and each date on which a Borrowing shall occur, the Administrative Agent shall (i) determine the Dollar Equivalent of the aggregate principal amount of the Loans then outstanding that are denominated in Alternate Currencies (after giving effect to any Loans made or repaid on such date) and (ii) notify the Borrower of the aggregate Credit Exposures of the Banks.

ARTICLE II
LOANS

SECTION 2.01. Commitments. (a) Subject to the terms and conditions hereof and relying upon the representations and warranties herein set forth, each Bank agrees, severally and not jointly, to make Revolving Credit Loans to the Borrower, in Dollars or one or more Alternate Currencies, at any time and from time to time on and after the Effective Date and until the earlier of the Maturity Date or the termination of the Commitment of such Bank, in an aggregate principal amount at any time outstanding not to exceed such Bank's Commitment minus the amount by which the Competitive Loans outstanding at such time shall be deemed to have used such Commitment pursuant to Section 2.18, subject, however, to the conditions that (a) at no time shall (i) the sum of (A) the outstanding aggregate principal amount of all Revolving Credit Exposures of all Banks, plus (B) the outstanding aggregate principal amount of all Competitive Loans made by all Banks exceed (ii) the Total Commitment and (b) at all times (except as expressly contemplated by the last sentence of Section 2.12(d)) the Revolving Credit Exposure of each Bank shall equal the product of (i) such Bank's Applicable Commitment Percentage and (ii) the outstanding aggregate Revolving Credit Exposures.

(b) Within the foregoing limits, the Borrower may borrow, pay or repay and reborrow hereunder, on and after the Effective Date and prior to the Maturity Date, upon the terms and subject to the conditions and limitations set forth herein.

SECTION 2.02. Loans. (a) Each Revolving Credit Loan shall be made as part of a Borrowing consisting of Loans made by the Banks ratably in accordance with their Commitments; provided, however, that the failure of any Bank to make any Revolving Credit Loan shall not in itself relieve any other Bank of its obligation to lend hereunder (it being understood, however, that no Bank shall be responsible for the failure of any other Bank to make any Loan required to be made by such other Bank). Each Competitive Loan shall be made in Dollars in accordance with the procedures set forth in Section 2.04. The Competitive Loans comprising any Borrowing shall be denominated in Dollars in an aggregate amount that is at least $5,000,000 and in an integral multiple of $1,000,000. The Revolving Credit Loans comprising any Borrowing shall be in a minimum amount of $5,000,000 (or the Dollar Equivalent thereof) and, in the case of Loans denominated in Dollars, an integral multiple of $1,000,000, or an aggregate principal amount equal to (or the Dollar Equivalent of which is equal to) the remaining balance of the available Commitments.

(b) Each Competitive Borrowing shall be comprised entirely of LIBOR Competitive Loans or Fixed Rate Loans, and each Revolving Credit Borrowing shall be comprised entirely of LIBOR Revolving Credit Loans, or, in the case of a Borrowing denominated in Dollars, ABR Loans, as the Borrower may request pursuant to Section 2.04 or 2.05, as applicable. Each Bank may at its option make any LIBOR Loan by causing any domestic or foreign branch or Affiliate of such Bank to make such Loan; provided that any exercise of such option shall not affect the obligation of the Borrower to repay such Loan in accordance with the terms of this Agreement and the applicable Note. Borrowings of more than one Interest Rate Type may be outstanding at the same time; provided, however, that the Borrower shall not be entitled to request any Borrowing that, if made, would result in an aggregate of more than 15 separate Revolving Credit Loans of any one Bank being outstanding hereunder at any one time. For purposes of the calculation required by the immediately preceding sentence, LIBOR Revolving Credit Loans having different Interest Periods, regardless of whether they commence on the same date, shall be considered separate Loans and all Loans of a single Interest Rate Type made on a single date shall be considered a single Loan if such Loans have a common Interest Period.

(c) Each Bank shall make each Loan (other than Loans denominated in Alternate Currencies) to be made by it hereunder on the proposed date thereof by wire transfer of immediately available funds to the Administrative Agent in Chicago, Illinois, not later than 12:00 noon, New York City time, and the Administrative Agent shall by 3:00 p.m., New York City time, credit the amounts so received to the general deposit account of the Borrower as directed in writing from time to time by Borrower, or, if a Borrowing shall not occur on such date because any condition precedent herein specified shall not have been met, return the amounts so received to the respective Banks as soon as practicable. Competitive Loans shall be made by the Bank or Banks whose Competitive Bids therefor are accepted pursuant to Section 2.04 in the amounts so accepted and Revolving Credit Loans shall be made by the Banks pro rata in accordance with Section 2.18. Each Bank shall make each Loan denominated in an Alternate Currency to be made by it hereunder on the proposed date thereof by wire transfer of such immediately available funds as may then be customary for the settlement of international transactions in the applicable Alternate Currency, by 12:00 noon, New York City time, to an account designated by the Administrative Agent. The Administrative Agent will make such Loans available to the Borrower by promptly crediting the amounts so received, in like funds, to an account of the Borrower as specified in the applicable Revolving Credit Borrowing Request or Competitive Bid Request. Unless the Administrative Agent shall have received notice from a Bank prior to the date of any Borrowing, the Administrative Agent may assume that such Bank has made such portion available to the Administrative Agent on the date of such Borrowing in accordance with this paragraph (c) and the Administrative Agent may, in reliance upon such assumption, make available to the Borrower on such date a corresponding amount. If and to the extent that such Bank shall not have made such portion available to the Administrative Agent, such Bank and the Borrower severally agree to repay to the Administrative Agent forthwith on demand such corresponding amount together with interest thereon, for each day from the date such amount is made available to the Borrower until the date such amount is repaid to the Administrative Agent at (i) in the case of the Borrower, the interest rate applicable at the time to the Loans comprising such Borrowing and (ii) in the case of such Bank, the Federal Funds Effective Rate, or, in the case of any amount denominated in an Alternate Currency, such other rate as shall be specified by the Administrative Agent as representing its cost of overnight or short-term funds in such currency. If such Bank shall repay to the Administrative Agent such corresponding amount, such amount shall constitute such Bank's Loan as part of such Borrowing for purposes of this Agreement.

(d) Notwithstanding any other provision of this Agreement, the Borrower shall not be entitled to request any Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date and all Revolving Credit Loans shall be due and payable on the Maturity Date.

SECTION 2.03. Use of Proceeds. The proceeds of the Loans shall be used to refinance outstanding Indebtedness of the Borrower under that 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement dated as of October 23, 1997, as amended, modified, and supplemented through the date hereof, among the Borrower, the guarantors and banks, party thereto, and The Chase Manhattan Bank, as Agent, and ABN AMRO Bank N.V., as Documentation Agent, and for general working capital and corporate purposes, including acquisitions in the industry of Borrower or any of its Material Subsidiaries.

SECTION 2.04. Competitive Bid Procedure. (a) In order to request Competitive Bids, the Borrower shall hand deliver or telecopy (or deliver by comparable means) to the Administrative Agent a duly completed Competitive Bid Request in the form of Exhibit A-1, to be received by the Administrative Agent (i) in the case of a LIBOR Competitive Borrowing, not later than 11:00 a.m., New York City time, four Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 11:00 a.m., New York City time, one Business Day before a proposed Competitive Borrowing. No ABR Loan shall be requested in, or made pursuant to, a Competitive Bid Request. A Competitive Bid Request that does not conform substantially to the format of Exhibit A-1 may be rejected in the Administrative Agent's sole discretion, and the Administrative Agent shall promptly notify the Borrower of such rejection by telecopier or in a comparable manner. Such request shall in each case refer to this Agreement and specify (i) whether the Borrowing then being requested is to be a LIBOR Borrowing or a Fixed Rate Borrowing, (ii) the date of such Borrowing (which shall be a Business Day) and the aggregate principal amount thereof, which shall be in an aggregate amount that is at least $5,000,000 and in an integral multiple of $1,000,000, and (iii) the Interest Period with respect thereto (which may not end after the Maturity Date). Promptly after its receipt of a Competitive Bid Request that is not rejected as aforesaid, the Administrative Agent shall invite by telecopier in the form set forth in Exhibit A-2, or in a comparable manner, the Banks to bid, on the terms and subject to the conditions of this Agreement, to make Competitive Loans pursuant to the Competitive Bid Request.

(b) Each Bank may, in its sole discretion, make one or more Competitive Bids to the Borrower responsive to a Competitive Bid Request. Each Competitive Bid by a Bank must be received by the Administrative Agent via telecopier (or in a comparable manner), in the form of Exhibit A-3, (i) in the case of a LIBOR Competitive Borrowing, not later than 10:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 10:30 a.m., New York City time, on the day of a proposed Competitive Borrowing. Multiple bids will be accepted by the Administrative Agent. Competitive Bids that do not conform substantially to the format of Exhibit A-3 may be rejected by the Administrative Agent after conferring with, and upon the instruction of, the Borrower, and the Administrative Agent shall notify the Bank making such nonconforming bid of such rejection as soon as practicable. Each Competitive Bid shall refer to this Agreement and specify (i) the principal amount (which shall be in a minimum principal amount of $5,000,000 and in an integral multiple of $1,000,000 and which may equal the entire principal amount of the Competitive Borrowing requested by the Borrower) of the Competitive Loan or Loans that the Bank is willing to make to the Borrower, (ii) the Competitive Bid Rate or Rates at which the Bank is prepared to make the Competitive Loan or Loans and (iii) the Interest Period and the last day thereof. If any Bank shall elect not to make a Competitive Bid, such Bank shall so notify the Administrative Agent via telecopier or in a comparable manner (i) in the case of LIBOR Competitive Loans, not later than 10:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii) in the case of Fixed Rate Loans, not later than 10:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that failure by any Bank to give such notice shall not cause such Bank to be obligated to make any Competitive Loan as part of such Competitive Borrowing. A Competitive Bid submitted by a Bank pursuant to this paragraph (b) shall be irrevocable.

(c) The Administrative Agent shall promptly notify the Borrower by telecopier, or in a comparable manner, of all the Competitive Bids made, the Competitive Bid Rate and the principal amount of each Competitive Loan in respect of which a Competitive Bid was made and the identity of the Bank that made each bid. The Administrative Agent shall send a copy of all Competitive Bids to the Borrower for its records as soon as practicable after completion of the bidding process set forth in this Section 2.04.

(d) The Borrower may in its sole and absolute discretion, subject only to the provisions of this paragraph (d), accept or reject any Competitive Bid referred to in paragraph (b) above. The Borrower shall notify the Administrative Agent by telephone, confirmed by telecopier, or in a comparable manner, in the form of a Competitive Bid Accept/Reject Letter in the form of Exhibit A-4, whether and to what extent it has decided to accept or reject any of or all the bids referred to in paragraph (b) above, (i) in the case of a LIBOR Competitive Borrowing, not later than 11:30 a.m., New York City time, three Business Days before a proposed Competitive Borrowing and (ii) in the case of a Fixed Rate Borrowing, not later than 11:30 a.m., New York City time, on the day of a proposed Competitive Borrowing; provided, however, that (A) the failure by the Borrower to give such notice shall be deemed to be a rejection of all the bids referred to in paragraph (b) above, (B) the Borrower shall not accept a bid made at a particular Competitive Bid Rate if the Borrower has decided to reject a bid made at a lower Competitive Bid Rate, (C) the aggregate amount of the Competitive Bids accepted by the Borrower shall not exceed the principal amount specified in the Competitive Bid Request, (D) if the Borrower shall accept a bid or bids made at a particular Competitive Bid Rate but the amount of such bid or bids shall cause the total amount of bids to be accepted by the Borrower to exceed the amount specified in the Competitive Bid Request, then the Borrower shall accept a portion of such bid or bids in an amount equal to the amount specified in the Competitive Bid Request less the amount of all other Competitive Bids accepted at lower Competitive Bid Rates with respect to such Competitive Bid Request (it being understood that acceptance, in the case of multiple bids at such Competitive Bid Rate, shall be made pro rata in accordance with the amount of each such bid at such Competitive Bid Rate) and (E) except pursuant to clause (D) above, no bid shall be accepted for a Competitive Loan unless such Competitive Loan is in an aggregate amount that is at least $5,000,000 and an integral multiple of $1,000,000; provided further, however, that if a Competitive Loan must be in an amount less than $5,000,000 because of the provisions of clause (D) above, such Competitive Loan may be in an aggregate amount that is at least $1,000,000 or any integral multiple thereof, and in calculating the pro rata allocation of acceptances of portions of multiple bids at a particular Competitive Bid Rate pursuant to clause (D) the amounts shall be rounded to integral multiples of $1,000,000 in a manner that shall be in the discretion of the Borrower. A notice given by the Borrower pursuant to this paragraph (d) shall be irrevocable.

(e) The Administrative Agent shall promptly notify each bidding Bank whether its Competitive Bid has been accepted (and if so, in what amount and at what Competitive Bid Rate) by telecopy, or in a comparable manner, sent by the Administrative Agent, and each successful bidder will thereupon become bound, subject to the other applicable conditions hereof, to make the Competitive Loan in respect of which its bid has been accepted.

(f) A Competitive Bid Request shall not be made within four Business Days after the date of any previous Competitive Bid Request.

(g) If the Administrative Agent shall elect to submit a Competitive Bid in its capacity as a Bank, it shall submit such bid directly to the Borrower one quarter of an hour earlier than the latest time at which the other Banks are required to submit their bids to the Administrative Agent pursuant to paragraph (b) above.

(h) All notices required by this Section 2.04 shall be given in accordance with Section 10.01.

(i) Notwithstanding any other provisions of this Agreement, the Borrower shall not be entitled to request any Competitive Borrowing if the Interest Period requested with respect thereto would end after the Maturity Date and each Competitive Borrowing shall be due and payable on the last day of the Interest Period applicable thereto.

SECTION 2.05. Revolving Credit Borrowing Procedure. In order to effect a Revolving Credit Borrowing or the continuation or conversion of an Interest Rate Type applicable thereto, the Borrower shall hand deliver or telecopy (or deliver by comparable means) to the Administrative Agent a Borrowing notice in the form of Exhibit A-5 (a) in the case of a LIBOR Revolving Credit Borrowing or the continuation or conversion of an Interest Rate Type applicable thereto, not later than 12:00 noon, New York City time, three Business Days before a proposed Borrowing or before the last day of the Interest Period applicable to a Revolving Credit Borrowing for which the Interest Rate Type is to be continued or converted, and (b) in the case of an ABR Borrowing, not later than 10:00 a.m., New York City time, on the day of a proposed Borrowing. No Fixed Rate Loan or LIBOR Competitive Loan shall be requested or made pursuant to a Revolving Credit Borrowing Request. Such notice shall be irrevocable and shall in each case specify (a) whether the Borrowing then being requested is to be, or the Borrowing with respect to which the Interest Rate Type is being continued or converted is, a LIBOR Revolving Credit Borrowing or an ABR Borrowing, (b) whether such Borrowing is to be in Dollars or an Alternate Currency (and if in an Alternate Currency, such Alternate Currency), (c) the date of such Revolving Credit Borrowing or continuation or conversion (which shall be a Business Day) and the amount thereof in Dollars (notwithstanding that the request may be for a Borrowing in an Alternate Currency) and (d) if such Borrowing is to be a LIBOR Revolving Credit Borrowing or if the Borrowing with respect to which the Interest Rate Type being continued or converted is a LIBOR Revolving Credit Borrowing, the Interest Period with respect thereto (which may not end after the Maturity Date). If no election as to the Interest Rate Type of Revolving Credit Borrowing is specified in any such notice, then the requested Revolving Credit Borrowing shall be an ABR Borrowing. If no Interest Period with respect to any LIBOR Revolving Credit Borrowing is specified in any such notice, then the Borrower shall be deemed to have selected an Interest Period of one month's duration. If the Borrower shall not have given notice in accordance with this Section 2.05 of its election to continue or convert the Interest Rate Type for a Revolving Credit Borrowing prior to the end of the Interest Period in effect for such Borrowing, then (a) in the case of a Borrowing in Dollars, the Borrower shall (unless such Borrowing is repaid at the end of such Interest Period) be deemed to have given notice of an election to continue or convert, as the case may be, such Borrowing as an ABR Borrowing and (b) in the case of a Borrowing in an Alternate Currency, such Borrowing shall be due and payable at the end of such Interest Period. The Administrative Agent shall promptly advise the Banks of any notice given pursuant to this Section 2.05 and of each Bank's portion of the requested Borrowing.

SECTION 2.06. [RESERVED].

SECTION 2.07. Fees. (a) The Borrower agrees to pay to each Bank, through the Administrative Agent, on each March 31, June 30, September 30 and December 31 and on the Maturity Date or any earlier date on which the Commitment of such Bank shall have been terminated and the outstanding Loans of such Bank have been repaid in full, a facility fee (a "Facility Fee") on the Commitment of such Bank, whether used or unused, and, after the Commitment of such Bank shall have been terminated, on the outstanding principal amount of such Bank's Revolving Credit Exposure, during the quarter ending on the date such payment is due (or shorter period commencing with the date of this Agreement or ending with the Maturity Date or any earlier date on which the Commitments shall have been terminated and the outstanding Loans of such Bank repaid in full), at a rate per annum equal to the Applicable Percentage from time to time in effect. All Facility Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days. The Facility Fee due to each Bank shall commence to accrue on the Closing Date and shall cease to accrue on the Maturity Date or any earlier date on which the Commitment of such Bank shall have been terminated and the outstanding Loans of such Bank repaid in full.

(b) The Borrower agrees to pay to each Bank, through the Administrative Agent, on each March 31, June 30, September 30, December 31, and on the Maturity Date or any earlier date on which the Commitment of such Bank shall have terminated and the outstanding Loans of such Bank have been repaid in full, a usage fee (a "Usage Fee") at a rate per annum equal to the Applicable Percentage from time to time in effect on the aggregate amount of such Bank's Credit Exposure for each day on which the aggregate Credit Exposure of all Banks shall be greater than fifty percent (50%) of the total Commitments. All Usage Fees shall be computed on the basis of the actual number of days elapsed in a year of 360 days and shall be payable for the actual number of days elapsed (including the first day but excluding the last day).

(c) The Borrower agrees to pay the Administrative Agent, for its own account, the fees provided for in the Fee Letter.

(d) All fees shall be paid on the dates due, in immediately available funds, to the Administrative Agent for distribution, if and as appropriate, among the Banks. Once paid, none of the fees shall be refundable under any circumstances.

SECTION 2.08. Notes; Repayment of Loans. The Competitive Loans made by each Bank shall be evidenced by a single Competitive Note duly executed on behalf of the Borrower, dated the Closing Date, in substantially the form attached hereto as Exhibit B-1 with the blanks appropriately filled, payable to the order of such Bank in a principal amount equal to the Total Commitment. The Revolving Credit Loans made by each Bank shall be evidenced by a single Revolving Credit Note duly executed on behalf of the Borrower, dated the Closing Date, in substantially the form attached hereto as Exhibit B-2 with the blanks appropriately filled, payable to the order of such Bank in a principal amount equal to the Commitment of such Bank. The outstanding principal balance of each Competitive Loan or Revolving Credit Loan, as evidenced by the relevant Note, shall be payable (a) in the case of a Competitive Loan, on the last day of the Interest Period applicable to such Competitive Loan and on the Maturity Date and (b) in the case of a Revolving Credit Loan, on the Maturity Date in the currency of such Loan. Each Competitive Note and each Revolving Credit Note shall bear interest from the date thereof on the outstanding principal balance thereof as set forth in Section 2.09. Each Bank shall, and is hereby authorized by the Borrower to, endorse on the schedule to the relevant Note held by such Bank (or on a continuation of such schedule attached to each such Note and made a part thereof), or otherwise to record in such Bank's internal records, an appropriate notation evidencing the date, currency

and amount of each Competitive Loan or Revolving Credit Loan, as applicable, of such Bank, each payment or prepayment of principal of any Competitive Loan or Revolving Credit Loan, as applicable, and the other information provided on such schedule; provided, however, that the failure of any Bank to make such a notation or any error therein shall not in any manner affect the obligation of the Borrower to repay the Competitive Loans or Revolving Credit Loans, as applicable, made by such Bank in accordance with the terms of the relevant Note.

SECTION 2.09. Interest on Loans. (a) Subject to the provisions of Sections 2.10 and 2.11, the Loans comprising each LIBOR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 360 days, provided that, for Loans comprising LIBOR Borrowings denominated in an Alternate Currency for which a 365-day basis is the only market practice available, interest shall be calculated on the basis of a year of 365 or 366 days, as the case may be) at a rate per annum equal to (i) in the case of each LIBOR Revolving Credit Loan, LIBOR for the Interest Period in effect for such Borrowing plus the Applicable Percentage and (ii) in the case of each LIBOR Competitive Loan, LIBOR for the Interest Period in effect for such Borrowing plus the Margin offered by the Bank making such Loan and accepted by the Borrower pursuant to Section 2.04.

(b) Subject to the provisions of Section 2.10, the Loans comprising each ABR Borrowing shall bear interest (computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as the case may be, when determined by reference to the Prime Rate and over a year of 360 days at all other times) at a rate per annum equal to the Alternate Base Rate.

(c) Subject to the provisions of Section 2.10, each Fixed Rate Loan shall bear interest at a rate per annum (computed on the basis of the actual number of days elapsed over a year of 360 days) equal to the fixed rate of interest offered by the Bank making such Loan and accepted by the Borrower pursuant to Section 2.04.

(d) Interest on each Loan shall be payable on each Interest Payment Date applicable to such Loan in the currency of such Loan. The LIBOR or the Alternate Base Rate for each Interest Period or day within an Interest Period shall be determined by the Administrative Agent, and such determination shall be conclusive absent manifest error.

(e) The Applicable Percentage shall be determined based upon the Debt Rating.

(f) Borrower may call Administrative Agent on or before the date on which a Revolving Credit Borrowing Request is to be delivered to receive an indication of the interest rates and applicable Alternate Currency exchange rates then in effect, but it is acknowledged that such indication shall not be binding on Administrative Agent or the Banks nor affect the rate of interest or the calculation of exchange rates which thereafter are actually in effect when the request is made.

SECTION 2.10. Interest on Overdue Amounts. If the Borrower shall default in the payment of the principal of or interest on any Loan or any other amount becoming due hereunder, the Borrower shall on demand from time to time pay interest, to the extent permitted by law, on such defaulted amount up to (but not including) the date of actual payment (after as well as before judgment) at a rate per annum computed on the basis of the actual number of days elapsed over a year of 365 or 366 days, as applicable, in the case of amounts bearing interest determined by reference to the Prime Rate (and a year of 360 days in all other cases) equal to (a) in the case of any Loan, the rate applicable to such Loan under Section 2.09 plus 2% per annum and (b) in the case of any other amount, the rate that would at the time be applicable to an ABR Loan under Section 2.09 plus 2% per annum.

SECTION 2.11. Alternate Rate of Interest. In the event, and on each occasion, that prior to the commencement of any Interest Period for a LIBOR Borrowing, the Administrative Agent shall have determined that deposits in the applicable currency in the amount of the requested principal amount of such LIBOR Borrowing are not generally available in the London interbank market, or that the rate at which such deposits are being offered will not adequately and fairly reflect the cost to any Bank of making or maintaining such LIBOR Loans during such Interest Period, or that reasonable means do not exist for ascertaining the LIBOR Rate, the Administrative Agent shall, as soon as practicable thereafter, give written or telecopier or comparable notice of such determination to the Borrower and the Banks. In the event of any such determination, until the Administrative Agent shall have determined that circumstances giving rise to such notice no longer exist, (a) any request by the Borrower for a LIBOR Competitive Borrowing pursuant to Section 2.04, and any request for a LIBOR Revolving Credit Borrowing in an Alternate Currency, shall be of no force and effect and shall be denied by the Administrative Agent and (b) any request by the Borrower for a LIBOR Revolving Credit Borrowing in Dollars pursuant to Section 2.05 shall be deemed to be a request for an ABR Loan. Each determination by the Administrative Agent hereunder shall be conclusive absent manifest error; provided, however, that if a determination is made that dollar deposits in the amount of the requested principal amount of such LIBOR Borrowing are not generally available in the London interbank market, or that the rate at which such dollar deposits are being offered will not adequately and fairly reflect the cost to any Bank of making or maintaining such LIBOR Loans during such Interest Period, or that reasonable means do not exist for ascertaining the LIBOR Rate, the Administrative Agent shall promptly notify the Borrower of such determination in writing and the Borrower may, by notice to the Administrative Agent given within 24 hours of receipt of such notice, withdraw the request for the LIBOR Competitive Borrowing or the LIBOR Revolving Credit Borrowing, as applicable.

SECTION 2.12. Termination, Reduction, Increase and Extension of Commitments. (a) The Commitments shall be automatically terminated on the earlier of (i) the Maturity Date or (ii) 30 days after the date hereof if the Closing Date has not occurred.

(b) Subject to Section 2.13(b), upon at least three Business Days' prior irrevocable written or telecopy notice to the Administrative Agent, the Borrower may at any time in whole permanently terminate, or from time to time in part permanently reduce, the Total Commitment; provided, however, that (i) each partial reduction of the Total Commitment shall be in an integral multiple of $1,000,000 and in a minimum principal amount of $10,000,000 and (ii) the Borrower shall not be entitled to make any such termination or reduction that would reduce the Total Commitment to an amount less than the aggregate outstanding principal amount of the Competitive Loans.

(c) Each reduction in the Total Commitment hereunder shall be made ratably among the Banks in accordance with their respective Commitments. The Borrower shall pay to the Administrative Agent for the account of the Banks on the date of each termination or reduction (in the case of a reduction, the "Reduction Date"), the Facility Fees on the amount of the Commitments so terminated or reduced accrued to the date of such termination or reduction.

(d) The Borrower may from time to time, and notwithstanding any prior reductions in the Total Commitment by the Borrower, by notice to the Administrative Agent (which shall promptly deliver a copy to each of the Banks), request that the Total Commitment be increased by an amount that is not less than $25,000,000 and will not result in the Total Commitment under this Agreement and the Facility B Credit Agreement exceeding $575,000,000 in the aggregate. Each such notice shall set forth the requested amount of the increase in the Total Commitment and the date on which such increase is to become effective (which shall be not fewer than 20 days after the date of such notice), and shall offer each Bank the opportunity to increase its Commitment by its ratable share, based on the amounts of the Banks' Commitments, of the requested increase in the Total Commitment. Each Bank shall, by notice to the Borrower and the Administrative Agent given not more than 15 Business Days after the date of the Borrower's notice, either agree to increase its Commitment by all or a portion of the offered amount or decline to increase its Commitment (and any Bank that does not deliver such a notice within such period of 15 Business Days shall be deemed to have declined to increase its Commitment); provided, however, that no Bank may agree to increase its Commitment hereunder unless it shall have agreed to ratably increase its Commitment under the Facility B Credit Agreement (if the Facility B Credit Agreement is then in effect). In the event that, on the 15th Business Day after the Borrower shall have delivered a notice pursuant to the first sentence of this paragraph, the Banks shall have agreed pursuant to the preceding sentence to increase their Commitments by an aggregate amount less than the increase in the Total Commitment requested by the Borrower, the Borrower shall have the right to arrange for one or more banks or other financial institutions (any such bank or other financial institution being called an "Augmenting Bank"), which may include any Bank, to extend Commitments or increase their existing Commitments in an aggregate amount equal to all or part of the unsubscribed amount; provided that each Augmenting Bank, if not already a Bank hereunder, shall be subject to the approval of the Borrower and the Administrative Agent (which approval shall not be unreasonably withheld) and shall execute all such documentation as the Administrative Agent shall specify to evidence its status as a Bank hereunder. If (and only if) Banks (including Augmenting Banks) shall have agreed to increase their Commitments or to extend new Commitments in an aggregate amount not less than $25,000,000, such increases and such new Commitments shall become effective on the date specified in the notice delivered by the Borrower pursuant to the first sentence of this paragraph, and shall be deemed added to the Commitments set forth in Schedule 2.01 hereof. Notwithstanding the foregoing, no increase in the Total Commitment (or in the Commitment of any Bank) shall become effective under this paragraph unless, on the date of such increase, (i) the conditions set forth in paragraphs (b) and (c) of Section 4.01 shall be satisfied (with all references in such paragraphs to a Borrowing being deemed to be references to such increase) and the Administrative Agent shall have received a certificate to that effect dated such date and executed by a Financial Officer of the Borrower and (ii) on the effective date of such increase the Total Commitment under and as defined in the Facility B Credit Agreement shall be proportionately increased (if the Facility B Credit Agreement is then in effect) in accordance with the terms of such Agreement. Following any increase in the Commitment of any of the Banks pursuant to this paragraph, any Revolving Credit Loans outstanding prior to the effectiveness of such increase shall continue outstanding until the ends of the respective interest periods applicable thereto, and shall then be repaid or refinanced with new Revolving Credit Loans made pursuant to Sections 2.01 and 2.05.

(e) (i) The Borrower may, by notice to the Administrative Agent (which shall promptly deliver a copy to each of the Banks) not less than 30 days and not more than 45 days prior to the Maturity Date (the "Anniversary Date"), request that the Banks extend the Maturity Date for an additional 364 days from the Maturity Date then in effect hereunder (the "Existing Maturity Date"). Each Bank shall, by notice to the Borrower and the Administrative Agent given not more than 15 Business Days after the date of the Borrower's notice, but in no event more than 30 days prior to the Maturity Date, advise the Borrower whether or not such Bank agrees to such extension (and any Bank that does not advise the Borrower on or before the 15th Business Day after the date of the Borrower's notice shall be deemed to have advised the Borrower that it will not agree to such extension).

(ii) The Borrower shall have the right on or before the Anniversary Date to require any Bank which shall have advised or been deemed to advise the Borrower that it will not agree to an extension of the Maturity Date (each a "Non-Extending Bank") to transfer without recourse (in accordance with and subject to the restrictions contained in Section 2.23, except that the $4,000 processing fee set forth in Section 2.23(b)(iii) shall be paid by the Borrower) all its interests, rights and obligations under this Agreement to one or more other banks or other financial institutions (any such bank or other financial institution being called a "Substitute Bank"), which may include any Bank; provided that (a) such Substitute Bank, if not already a Bank hereunder, shall be subject to the approval of the Borrower and the Administrative Agent (which approval shall not be unreasonably withheld) and shall execute all such documentation as the Administrative Agent shall specify to evidence its status as a Bank hereunder, (b) such assignment shall become effective as of the Anniversary Date and (c) the Borrower shall pay to such Non-Extending Bank in immediately available funds on the effective date of such assignment the principal of and interest accrued to the date of payment on the Loans made by it hereunder and all other amounts accrued for its account or owed to it hereunder.

Notwithstanding the foregoing, no extension of the Maturity Date shall be effective with respect to any Bank unless, on and as of the Anniversary Date, the conditions set forth in paragraphs (b) and (c) of Section 4.01 shall be satisfied (with all references in such paragraphs to a Borrowing being deemed to be references to such extension) and the Administrative Agent shall have received a certificate to that effect, dated the Anniversary Date, and executed by a Financial Officer of the Borrower.

SECTION 2.13. Prepayment of Loans. (a) Prior to the Maturity Date the Borrower shall have the right at any time to prepay any Revolving Credit Borrowing, or, with the consent of the particular Bank or Banks to receive the prepayment, any Competitive Borrowing (which consent may be withheld in such Bank's or Banks' sole discretion), in whole or in part, subject to the requirements of Section 2.17 and 2.18 but otherwise without premium or penalty, upon prior written or telecopy notice to the Administrative Agent before 12:00 noon, New York City time, at least one Business Day prior to such prepayment in the case of an ABR Loan and at least three Business Days prior to such prepayment in the case of a LIBOR Loan or Fixed Rate Loan; provided, however, that each such partial prepayment shall be in a minimum aggregate principal amount of $5,000,000 (or the Dollar Equivalent thereof) and, in the case of a Borrowing denominated in Dollars, an integral multiple of $1,000,000. In all instances under this Agreement, each payment and prepayment of any Loan shall be made in the currency in which such Loan was made.

(b) On the date of any termination or reduction of the Total Commitment pursuant to Section 2.12, the Borrower shall pay or prepay so much of the Revolving Credit Loans as shall be necessary in order that the aggregate Credit Exposures will not exceed the Total Commitment following such termination or reduction. Subject to the foregoing, any such payment or prepayment shall be applied to such Borrowing or Borrowings as the Borrower shall select. All prepayments under this Section 2.13(b) shall be subject to Sections 2.17 and 2.18.

(c) On the earlier of any Reset Date or the last day of any Interest Period when the aggregate Credit Exposures (after giving effect to any Borrowings effected on such date) exceed the Total Commitment, the Borrower shall make a mandatory prepayment of the Revolving Credit Loans in such amount as may be necessary to eliminate such excess. Any prepayments required by this paragraph shall be applied to outstanding ABR Loans up to the full amount thereof before they are applied to outstanding LIBOR Revolving Credit Loans.

(d) Each notice of prepayment shall specify the specific Borrowing, the prepayment date and the aggregate principal amount of each Borrowing to be prepaid and the currency thereof, shall be irrevocable and shall commit the Borrower to prepay such Borrowing by the amount stated therein. All prepayments under this Section 2.13 shall be accompanied by accrued interest on the principal amount being prepaid to the date of prepayment.

SECTION 2.14. Eurodollar Reserve Costs. The Borrower shall pay to the Administrative Agent for the account of each Bank, so long as such Bank shall be required under regulations of the Board to maintain reserves with respect to liabilities or assets consisting of or including Eurocurrency Liabilities (as defined in Regulation D), additional interest on the unpaid principal amount of each LIBOR Loan made to the Borrower by such Bank, from the date of such Loan until such Loan is paid in full, at an interest rate per annum equal at all times during the Interest Period for such Loan to the remainder obtained by subtracting (i) LIBOR for such Interest Period from (ii) the rate obtained by multiplying LIBOR as referred to in clause (i) above by the Statutory Reserves of such Bank for such Interest Period. Such additional interest shall be determined by such Bank and notified to the Borrower (with a copy to the Administrative Agent) not later than five Business Days before the next Interest Payment Date for such Loan, and such additional interest so notified to the Borrower by any Bank shall be payable to the Administrative Agent for the account of such Bank on each Interest Payment Date for such Loan.

SECTION 2.15. Reserve Requirements; Change in Circumstances. (a) Notwithstanding any other provision herein, if any Change in Law (i) shall subject any Bank to, or increase the net amount of, any tax, levy, impost, duty, charge, fee, deduction or withholding with respect to any LIBOR Loan or Fixed Rate Loan, or shall change the basis of taxation of payments to any Bank of the principal of or interest on any LIBOR Loan or Fixed Rate Loan made by such Bank or any other fees or amounts payable hereunder (other than (x) taxes imposed on the overall net income of such Bank by the jurisdiction in which such Bank has its principal office or by any political subdivision or taxing authority therein (or any tax which is enacted or adopted by such jurisdiction, political subdivision or taxing authority as a direct substitute for any such taxes) or (y) any tax, assessment, or other governmental charge that would not have been imposed but for the failure of any Bank to comply with any certification, information, documentation or other reporting requirement), (ii) shall impose, modify or deem applicable any reserve, special deposit or similar requirement (other than requirements as to which the Borrower is obligated to make payments pursuant to Section 2.14) against assets of, deposits with or for the account of, or credit extended by, such Bank, or (iii) shall impose on such Bank

or the London interbank market any other condition affecting this Agreement or any LIBOR Loan or Fixed Rate Loan made by such Bank, and the result of any of the foregoing shall be to increase the cost to such Bank of making or maintaining any LIBOR Loan or Fixed Rate Loan or to reduce the amount of any sum received or receivable by such Bank hereunder (whether of principal, interest or otherwise) in respect thereof by an amount deemed in good faith by such Bank to be material, then the Borrower shall pay such additional amount or amounts as will compensate such Bank for such increase or reduction to such Bank upon demand by such Bank.

(b) If, after the date of this Agreement, any Bank shall have determined in good faith that any Change in Law regarding capital requirements has or would have the effect of reducing the rate of return on such Bank's capital or on the capital of the Bank's holding company (or any lending office of such Bank), if any, as a consequence of its obligations hereunder to a level below that which such Bank (or holding company or office) could have achieved but for such Change in Law (taking into consideration such Bank's policies or the policies of its holding company, as the case may be, with respect to capital adequacy) by an amount deemed by such Bank to be material, then, from time to time, the Borrower shall pay to such Bank such additional amount or amounts as will compensate such Bank (or holding company or office) for such reduction upon demand by such Bank.

(c) A certificate of a Bank setting forth in reasonable detail (i) such amount or amounts as shall be necessary to compensate such Bank (or participating banks or other entities pursuant to Section 2.23) as specified in paragraph (a) or (b) above, as the case may be, and (ii) the calculation of such amount or amounts under clause (c)(i), shall be delivered to the Borrower and shall be conclusive absent manifest error. The Borrower shall pay such Bank the amount shown as due on any such certificate within 30 days after its receipt of the same.

(d) Failure on the part of any Bank to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to any Interest Period shall not constitute a waiver of such Bank's rights to demand compensation for any increased costs or reduction in amounts received or receivable or reduction in return on capital with respect to such Interest Period or any other Interest Period. The protection of this Section 2.15 shall be available to each Bank regardless of any possible contention of invalidity or inapplicability of the law, regulation or condition which shall have been imposed.

SECTION 2.16. Change in Legality. (a) Notwithstanding anything to the contrary herein contained, if any Change in Law shall make it unlawful for any Bank to make or maintain any LIBOR Loan or to give effect to its obligations to make LIBOR Loans as contemplated hereby, then, by written notice to the Borrower and to the Administrative Agent, such Bank may:

(i) declare that LIBOR Loans will not thereafter be made by such Bank hereunder, whereupon such Bank shall not submit a Competitive Bid in response to a request for LIBOR Competitive Loans and the Borrower shall be prohibited from requesting LIBOR Revolving Credit Loans from such Bank hereunder unless such declaration is subsequently withdrawn; and

(ii) require that all outstanding LIBOR Loans made by it and denominated in Dollars be converted to ABR Loans, in which event (A) all such LIBOR Loans shall be automatically converted to ABR Loans as of the effective date of such notice as provided in Section 2.16(b) and (B) all payments and prepayments of principal which would otherwise have been applied to repay the converted LIBOR Loans shall instead be applied to repay the ABR Loans resulting from the conversion of such LIBOR Loans; and

(iii)declare all outstanding LIBOR Loans made by it and denominated in an Alternate Currency due and payable in full.

(b) For purposes of this Section 2.16, a notice to the Borrower by any Bank pursuant to Section 2.16(a) shall be effective on the date of receipt thereof by the Borrower.

(c) Notwithstanding the foregoing, if the affected Bank can continue to offer LIBOR Loans by transferring LIBOR Loans to another existing lending office of such Bank, such Bank agrees to so transfer the LIBOR Loans unless doing so would, in its good faith judgment, subject it to any expense or liability or be otherwise disadvantageous to it.

SECTION 2.17. Indemnity. The Borrower shall indemnify each Bank against any loss or reasonable expense which such Bank may sustain or incur as a consequence of (u) the assignment of any LIBOR Loan or Fixed Rate Loan other than on the last day of the Interest Period applicable thereto, (v) any failure by the Borrower to fulfill on the date of any Borrowing hereunder the applicable conditions set forth in Article IV, (w) any failure by the Borrower to borrow, convert, continue, or prepay hereunder after a notice thereof pursuant to Article II has been given (regardless whether such notice may be revoked hereunder), (x) any payment, prepayment or conversion of a LIBOR Loan or Fixed Rate Loan (including as a result of an Event of Default) made on a date other than the last day of the applicable Interest Period, (y) any default in the payment or prepayment of the principal amount of any Loan or any part thereof or interest accrued thereon, as and when due and payable (at the due date thereof, by notice of prepayment or otherwise), or (z) the occurrence of any Event of Default, including in any such event, any loss or reasonable expense sustained or incurred or to be sustained or incurred in liquidating or employing deposits from third parties acquired to effect or maintain such Loan or any part thereof as a LIBOR Loan or a Fixed Rate Loan. Such loss or reasonable expense shall include an amount equal to the excess, if any, as reasonably determined by each Bank of (i) its cost of obtaining the funds for the Loan being paid, prepaid or converted or not borrowed (based on LIBOR or, in the case of a Fixed Rate Loan, the fixed rate of interest applicable thereto) for the period from the date of such payment, prepayment or conversion or failure to borrow to the last day of the Interest Period for such Loan (or, in the case of a failure to borrow, the Interest Period for the Loan which would have commenced on the date of such failure to borrow) over (ii) the amount of interest (as reasonably determined by such Bank) that would be realized by such Bank in re-employing the funds so paid, prepaid or converted or not borrowed for such period or Interest Period, as the case may be. A certificate of each Bank setting forth any amount or amounts which such Bank is entitled to receive pursuant to this Section 2.17 shall be delivered to the Borrower and shall be conclusive, if made in good faith, absent manifest error. The Borrower shall pay each Bank the amount shown as due on any certificate containing no manifest error within 30 days after its receipt of the same.

SECTION 2.18. Pro Rata Treatment. Except as permitted under Sections 2.14, 2.15(c), 2.16 and 2.17 with respect to interest, (i) each Revolving Credit Borrowing, each payment or prepayment of principal of any Revolving Credit Borrowing, each payment of interest on the Revolving Credit Loans, each payment of the Facility Fees, each reduction of the Commitments and each refinancing of any Borrowing with, conversion of any Borrowing to or continuation of any Borrowing as a Revolving Credit Borrowing of any Interest Rate Type shall be allocated pro rata among the Banks in accordance with their respective Commitments (or, if such Commitments shall have expired or been terminated, in accordance with the respective principal amount of their outstanding Revolving Credit Loans). Each payment of principal of any Competitive Borrowing shall be allocated pro rata among the Banks participating in such Borrowing in accordance with the respective principal amounts of their outstanding Competitive Loans comprising such Borrowing. Each payment of interest on any

Competitive Borrowing shall be allocated pro rata among the Banks participating in such Borrowing in accordance with the respective amounts of accrued and unpaid interest on their outstanding Competitive Loans comprising such Borrowing. For purposes of determining the available Commitments of the Banks at any time, each outstanding Competitive Borrowing shall be deemed to have utilized the Commitments of the Banks (including those Banks that shall not have made Loans as part of such Competitive Borrowing) pro rata in accordance with such respective Commitments. Each Bank agrees that in computing such Bank's portion of any Borrowing to be made hereunder, the Administrative Agent may, in its discretion, round each Bank's percentage of such Borrowing computed in accordance with Section 2.01, to the next higher or lower whole dollar amount (or amount in the basic unit of the applicable Alternate Currency).

SECTION 2.19. Right of Setoff. If any Event of Default shall have occurred and be continuing, each Bank is hereby authorized at any time and from time to time, to the fullest extent permitted by law, to set off and apply any and all deposits (general or special, time or demand, provisional or final) at any time held and other indebtedness at any time owing by such Bank to or for the credit or the account of the Borrower against any of and all the Obligations now or hereafter existing under this Agreement and the Notes held by such Bank, irrespective of whether or not such Bank shall have made any demand under this Agreement or such Notes and although such obligations may be unmatured. Each Bank agrees promptly to notify the Borrower after any such setoff and application made by such Bank, but the failure to give such notice shall not affect the validity of such setoff and application. The rights of each Bank under this Section 2.19 are in addition to other rights and remedies (including other rights of setoff) which such Bank may have.

SECTION 2.20. Sharing of Setoffs. Each Bank agrees that if it shall, through the exercise of a right of banker's lien, setoff or counterclaim against the Borrower including, but not limited to, a secured claim under Section 506 of Title 11 of the United States Code or other security or interest arising from, or in lieu of, such secured claim, received by such Bank under any applicable bankruptcy, insolvency or other similar law or otherwise, obtain payment (voluntary or involuntary) in respect of any Revolving Credit Note held by it (it being understood that each Bank shall be permitted to exercise any such right with respect to any obligation of the Borrower to it other than the Revolving Credit Notes prior to the exercise of such right with respect to any Revolving Credit Note) as a result of which the unpaid principal portion of all the Revolving Credit Notes held by it shall be proportionately less than the unpaid principal portion of all the Revolving Credit Notes held by any other Bank, it shall be deemed to have simultaneously purchased from such other Bank a participation in each Revolving Credit Note held by such other Bank, so that the aggregate unpaid principal amount of each Revolving Credit Note and participations in each Revolving Credit Note held by each Bank shall be in the same proportion to the aggregate unpaid principal amount of all the Revolving Credit Notes then outstanding as the principal amount of all the Revolving Credit Notes held by it prior to such exercise of banker's lien, setoff or counterclaim was to the principal amount of all Revolving Credit Notes outstanding prior to such exercise of banker's lien, setoff or counterclaim; provided, however, that if any such purchase or purchases or adjustments shall be made pursuant to this Section 2.20 and the payment recovered by a Bank giving rise thereto shall thereafter be recovered from such Bank, such purchase or purchases or adjustments shall be rescinded to the extent of such recovery and the purchase price or prices or adjustments paid by such Bank restored to such Bank without interest. The Borrower expressly consents to the foregoing arrangements and agrees that any Bank holding a participation in a Revolving Credit Note deemed to have been so purchased may exercise any and all rights of banker's lien, setoff or counterclaim to the extent of the participation so purchased in such Revolving Credit Note with respect to any and all moneys owing by the Borrower as fully as if such Bank had made a Loan directly to the Borrower in the amount of the participation.

SECTION 2.21. Payments. The Borrower shall make each payment hereunder and under any instrument delivered hereunder not later than 12:00 noon, New York City time, on the day when due in lawful money of the United States (in freely transferable dollars) to the Administrative Agent at its offices set forth on Schedule 2.01 therefor, for the account of the Banks, in federal or other immediately available funds; provided, however, that each payment of principal and interest under any Loan made in an Alternate Currency shall be made in immediately available funds in the currency in which such Loan was made. Any payment received after such time on any day shall be deemed to be received on the next Business Day. The Administrative Agent shall remit each Bank's portion of the Borrower's payment to such Bank promptly after receipt thereof. Except as set forth in the definition of "Interest Period" as applied to LIBOR Loans, if any payment to be made hereunder or under any Note becomes due and payable on a day other than a Business Day, such payment may be made on the next succeeding Business Day and such extension of time shall in such case be included in computing interest, if any, in connection with such payment.

SECTION 2.22. United States Withholding. (a) Each Bank or assignee or participant of a Bank that is not incorporated under the Laws of the United States of America or a state thereof (and, upon the written request of the Administrative Agent, each other Bank or assignee or participant of a Bank) agrees that it will deliver to each of the Borrower and the Administrative Agent two (2) duly completed appropriate valid Withholding Certificates (as defined under ss.1.1441-1(c)(16) of the Income Tax Regulations promulgated under the Code ("Regulations")) certifying its status (i.e., U.S. or foreign person) and, if appropriate, making a claim of reduced, or exemption from, U.S. withholding tax on the basis of an income tax treaty or an exemption provided by the Code. The term "Withholding Certificate" means a Form W-9; a Form W-8BEN; a Form W-8ECI; a Form W-8IMY and the related statements and certifications as required under ss.1.1441-1(e)(3) of the Regulations; a statement described in ss.1.871-14(c)(2)(v) of the Regulations; or any other certificates under the Code or Regulations that certify or establish the status of a payee or beneficial owner as a U.S. or foreign person. Each Bank, assignee or participant required to deliver to the Borrower and the Administrative Agent a valid Withholding Certificate pursuant to the preceding sentence shall deliver such valid Withholding Certificate as follows: (A) each Bank which is a party hereto on the Closing Date shall deliver such valid Withholding Certificate at least five (5) Business Days prior to the first date on which any interest or fees are payable by the Borrower hereunder for the account of such Bank; (B) each assignee or participant shall deliver such valid Withholding Certificate at least five (5) Business Days before the effective date of such assignment or participation (unless the Administrative Agent in its sole discretion shall permit such assignee or participant to deliver such Withholding Certificate less than five (5) Business Days before such date in which case it shall be due on the date specified by the Administrative Agent). Each Bank, assignee or participant which so delivers a valid Withholding Certificate further undertakes to deliver to each of the Borrower and the Administrative Agent two (2) additional copies of such Withholding Certificate (or a successor form) on or before the date that such Withholding Certificate expires or becomes obsolete or after the occurrence of any event requiring a change in the most recent Withholding Certificate so delivered by it, and such amendments thereto or extensions or renewals thereof as may be reasonably requested by the Borrower or the Administrative Agent. Notwithstanding the submission of a Withholding Certificate claiming a reduced rate of, or exemption from, U.S. withholding tax, the Administrative Agent shall be entitled to withhold United States federal income taxes at the full 30% withholding rate if in its reasonable judgment it is required to do so under the due diligence requirements imposed upon a withholding agent under ss.1.1441-7(b) of the Regulations. Further, the Administrative Agent is indemnified under ss.1.1461-1(e) of the Regulations against any claims and demands of any Bank or assignee or participant of a Bank for the amount of any tax it deducts and withholds in accordance with regulations under ss.1441 of the Code. In the event the Borrower or the Administrative Agent shall so determine that deduction or withholding of taxes is required, it shall advise the affected Bank as to the basis of such determination prior to actually deducting and withholding such taxes.

(b) Each Bank agrees (i) that as between it and the Borrower or the Administrative Agent, unless otherwise required by Law, it shall be the Person to deduct and withhold taxes, and to the extent required by Law it shall deduct and withhold taxes, on amounts that such Bank may remit to any other Person(s) by reason of any undisclosed transfer or assignment of an interest in this Agreement to such other Person(s) pursuant to Section 2.23 and (ii) to indemnify the Borrower and the Administrative Agent and any officers, directors, agents, or employees of the Borrower or the Administrative Agent against and to hold them harmless from any tax, interest, additions to tax, penalties, reasonable counsel and accountants' fees, disbursements or payments arising from the assertion by any appropriate taxing authority of any claim against them relating to a failure to withhold taxes as required by law with respect to amounts described in clause (i) of this paragraph (c).

(d) Each assignee of a Bank's interest in this Agreement in conformity with Section 2.23 shall be bound by this Section 2.22, so that such assignee will have all of the obligations and provide all of the forms and statements and all indemnities, representations and warranties required to be given under this Section 2.22.

(e) In the event that any withholding or similar taxes shall become payable as a result of any change in any statute, treaty, ruling, judicial decision, determination or regulation, or other change in law (other than a change in the rate of taxes imposed on the overall net income of any Bank) occurring after the Initial Date in respect of any sum payable hereunder or under any other Fundamental Document to any Bank or the Administrative Agent or as a result of any payment being made by a Guarantor organized in or subject to any taxing jurisdiction outside the United States (i) the sum payable by the Borrower shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.22) such Bank or the Administrative Agent (as the case may be) receives an amount equal to the sum it would have received had no such deductions been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall pay the full amount deducted to the relevant taxation authority or other authority in accordance with applicable law. For purposes of this Section 2.22, the term "Initial Date" shall mean (i) in the case of the Administrative Agent, the date hereof, (ii) in the case of each Bank as of the date hereof, the date hereof and (iii) in the case of any other Bank, the date of the Assignment and Acceptance pursuant to which it became a Bank.

SECTION 2.23. Participations; Assignments. (a) Each Bank may without the consent of the Borrower sell participations to one or more banks or other entities in all or a portion of its rights and obligations under this Agreement (including all or a portion of its Commitment and the Loans owing to it and the Notes held by it); provided, however, that (i) such Bank's obligations under this Agreement shall remain unchanged, (ii) such Bank shall remain solely responsible to the other parties hereto for the performance of such obligations, (iii) the participating banks or other entities shall be entitled to the cost protection provisions contained in Section 2.15 and Section 2.17 but shall not be entitled to receive pursuant to such provisions an amount larger than its share of the amount to which the Bank granting such participation would have been entitled and (iv) the Borrower, the Administrative Agent and the other Banks shall continue to deal solely and directly with such Bank in connection with such Bank's rights and obligations under this Agreement; provided further that each Bank shall retain the sole right and responsibility vis-a-vis the Borrower to enforce the obligations of the Borrower relating to the Loans and shall retain all voting rights, including the right to approve any amendment, modification or waiver of any provision of this Agreement other than amendments, modifications or waivers with respect to any Facility Fees, the amount of principal or the rate of interest payable on, or the maturity of, the Loans as applicable to the participating banks or other entities (as to which such participating banks or other entities may be afforded the right to vote).

(b) Each of the Banks may (but only with the prior written consent of the Borrower, which consent shall not be unreasonably withheld, provided that no consent of Borrower shall be required if any Event of Default shall have occurred and be continuing), and (unless the assignee is a bank or trust company with a combined capital and surplus of at least $100,000,000) with the written consent of the Administrative Agent, which consent shall not be unreasonably withheld, assign to one or more banks or other entities all or a portion of its interests, rights and obligations under this Agreement (including all or a portion of its Commitment and the same portion of the Revolving Credit Loans at the time owing to it and the Revolving Credit Note held by it); provided, however, that (i) each such assignment shall be of a constant, and not a varying, percentage of the assigning Bank's rights and obligations under this Agreement, and (ii) the amount of the Commitment of the assigning Bank subject to each such assignment (determined as of the date the Assignment and Acceptance with respect to such assignment is delivered to the Bank) shall be either the entire Commitment of such Bank or a portion thereof in a principal amount of $10,000,000 or a larger integral multiple of $1,000,000, and (iii) the parties to each such assignment shall execute and deliver to the Administrative Agent, for its acceptance and recording in the Register (as defined below), an Assignment and Acceptance, together with any Note or Notes subject to such assignment and a processing and recordation fee of $4,000. Upon such execution, delivery, acceptance and recording, from and after the effective date specified in each Assignment and Acceptance, which effective date shall be not earlier than five Business Days after the date of acceptance and recording by the Administrative Agent, (x) the assignee thereunder shall be a party hereto and, to the extent provided in such Assignment and Acceptance, have the rights and obligations of a Bank hereunder and under the other Fundamental Documents and (y) the assigning Bank thereunder shall, to the extent provided in such Assignment and Acceptance, be released from its obligations under this Agreement (and, in the case of an Assignment and Acceptance covering all or the remaining portion of the assigning Bank's rights and obligations under this Agreement, such assigning Bank shall cease to be a party hereto). Notwithstanding the foregoing, any Bank assigning its rights and obligations under this Agreement may retain any Competitive Loans made by it outstanding at such time, and in such case shall retain its rights hereunder in respect of any Loans so retained until such Loans have been repaid in full in accordance with this Agreement.

(c) Notwithstanding the other provisions of this Section 2.23, each Bank may at any time assign all or a portion of its interests, rights and obligations under this Agreement (including, without limitation, all or a portion of its Commitment and the same portion of the Loans at any time owing to it and the Notes held by it) to (i) any Affiliate of such Bank described in clause (b) of the definition of Affiliate or (ii) any other Bank hereunder.

(d) By executing and delivering an Assignment and Acceptance, the assigning Bank thereunder and the assignee thereunder confirm to and agree with each other and the other parties hereto as follows: (i) other than the representation and warranty that it is the legal and beneficial owner of the interest being assigned thereby free and clear of any adverse claim, the assigning Bank makes no representation or warranty and assumes no responsibility with respect to any statements, warranties or representations made in or in connection with this Agreement or the execution, legality, validity, enforceability, genuineness, sufficiency or value of the Fundamental Documents or any other instrument or document furnished pursuant hereto or thereto; (ii) such Bank assignor makes no representation or warranty and assumes no responsibility with respect to the financial condition of the Borrower or any of the Subsidiaries or any other obligor under the Fundamental Documents or the performance or observance by the Borrower (on behalf of itself or the Subsidiaries) or any of the Guarantors or any other obligor under the Fundamental Documents of any of their respective obligations under the Fundamental Documents or any other instrument or document furnished pursuant hereto or thereto; (iii) such assignee confirms that it has received a copy of this Agreement, together

with copies of the most recent financial statements delivered pursuant to Sections 5.05(a) and 5.05(b) (or if none of such financial statements shall have then been delivered, then copies of the financial statements referred to in Section 3.05 hereof) and such other documents and information as it has deemed appropriate to make its own credit analysis and decision to enter into such Assignment and Acceptance; (iv) such assignee will, independently and without reliance upon the assigning Bank, the Administrative Agent or any other person that has become a Bank and based on such documents and information as it shall deem appropriate at the time, continue to make its own credit decisions in taking or not taking action under this Agreement; (v) such assignee appoints and authorizes the Administrative Agent to take such action on its behalf as the Administrative Agent deems appropriate and to exercise such powers under the Fundamental Documents as are delegated to the Administrative Agent by the terms thereof, together with such powers as are reasonably incidental thereto; and (vi) such assignee agrees that it will perform in accordance with their terms all of the obligations which by the terms of this Agreement are required to be performed by it as a Bank.

(e) The Administrative Agent shall maintain at its address at which notices are to be given to it pursuant to Section 10.01 a copy of each Assignment and Acceptance and a register for the recordation of the names and addresses of the Banks and the Commitments of, and principal amount of the Loans owing to, each Bank from time to time (the "Register"). The entries in the Register shall be conclusive, in the absence of manifest error, and the Borrower, the Administrative Agent and the Banks may treat each person whose name is recorded in the Register as a Bank hereunder for all purposes of the Fundamental Documents. The Register shall be available for inspection by the Borrower or any Bank at any reasonable time and from time to time upon reasonable prior notice.

(f) Upon its receipt of an Assignment and Acceptance executed by an assigning Bank and an assignee together with any Notes subject to such assignment and evidence of the Borrower's written consent to such assignment, the Administrative Agent shall, if such Assignment and Acceptance has been completed and is in the form of Exhibit E hereto, (i) accept such Assignment and Acceptance, (ii) record the information contained therein in the Register and (iii) give prompt written notice thereof to the Borrower. Within five Business Days after receipt of the notice, the Borrower, at its own expense, shall execute and deliver to the Bank, in exchange for the surrendered Notes, as applicable (x) a new Competitive Note to the order of such assignee in an amount equal to the Total Commitment and a new Revolving Credit Note to the order of such assignee in an amount equal to the portion of the Commitment assumed by it pursuant to such Assignment and Acceptance and, (y) a new Revolving Credit Note to the order of the assigning Bank in an amount equal to the Commitment retained by it hereunder. Such new Revolving Credit Notes shall be in an aggregate principal amount equal to the aggregate principal amount of such assumed Commitment and retained Commitment, such new Notes shall be dated the date of the surrendered Notes and shall otherwise be in substantially the forms of Exhibits B-1 and B-2 hereto, as the case may be. In addition, the Borrower will promptly, at its own expense, execute such amendments to the Fundamental Documents to which it is a party and such additional documents and cause the Guarantors to execute amendments to the Fundamental Documents to which it is a party, and take such other actions as the Administrative Agent or the assignee Bank may reasonably request in order to confirm that such assignee Bank is entitled to the full benefit of the guaranties contemplated hereby to the extent of such assignment.

(g) Notwithstanding any other provision herein, any Bank may, in connection with any assignment or participation or proposed assignment or participation pursuant to this Section 2.23, disclose to the assignee or participant or proposed assignee or participant, any information relating to the Borrower or any of the Subsidiaries furnished to such Bank or the Administrative Agent by or on behalf of the Borrower; provided that prior to any such disclosure, each such assignee or participant or proposed assignee or participant shall agree in writing to preserve the confidentiality of any confidential information relating to the Borrower or any of their Subsidiaries received from such Bank on the terms of Section 10.11.

(h) Any Bank may at any time pledge or assign all or any portion of its rights under this Agreement and the Notes to a Federal Reserve Bank.

(i) SPV Designation.

(i) Notwithstanding anything to the contrary contained herein, any Bank (a "Designating Bank") may grant to one or more special purpose funding vehicles (each, a "SPV"), identified as such in writing from time to time by the Designating Bank to the Administrative Agent and the Borrower, the option to provide to the Borrower all or any part of any Loan that such Designating Bank would otherwise be obligated to make to the Borrower pursuant to this Agreement; provided that (A) nothing herein shall constitute a commitment by any SPV to make any Loan, (B) if an SPV elects not to exercise such option or otherwise fails to provide all or any part of such Loan, the Designating Bank shall be obligated to make such Loan pursuant to the terms hereof and (C) the Designating Bank shall remain liable for any indemnity or other payment obligation with respect to its Commitment hereunder. The making of a Loan by an SPV hereunder shall utilize the Commitment of the Designating Bank to the same extent, and as if, such Loan were made by such Designating Bank.

(ii) As to any Loans or portion thereof made by it, each SPV shall have all the rights that a Bank making such Loans or portion thereof would have had under this Agreement; provided, however, that each SPV shall have granted to its Designating Bank an irrevocable power of attorney, to deliver and receive all communications and notices under this Agreement (and any Fundamental Documents) and to exercise, exclusively in the place and stead of such SPV , all of such SPV's voting rights under this Agreement in the discretion of such Designating Bank, until the occurrence and continuation of an Event of Default. No additional Note shall be required to evidence the Loans or portion thereof made by an SPV; and the related Designating Bank shall be deemed to hold its Note as agent for such SPV to the extent of the Loans or portion thereof funded by such SPV. In addition, any payments for the account of any SPV shall be paid to its Designating Bank as agent for such SPV. Notwithstanding any term or condition hereof, no SPV, unless it shall have become a Bank hereunder in accordance with the terms of Section 2.23(b), shall be a party hereto or have any right to vote or give or withhold its consent under this Agreement.

(iii)Each party hereto hereby agrees that no SPV shall be liable for any indemnity or payment under this Agreement for which a Bank would otherwise be liable. In furtherance of the foregoing, each party hereto hereby agrees (which agreements shall survive the termination of this Agreement) that, prior to the date that is one year and one day after the later of (a) payment in full of all outstanding commercial paper or other senior indebtedness of any SPV, (b) the payment in full of all Obligations, and (c) the termination of all Commitments, it will not institute against, or join any other person in instituting against, such SPV any bankruptcy, reorganization, arrangement, insolvency or liquidation proceedings under the laws of the United States or any state thereof.

(iv) In addition, notwithstanding anything to the contrary contained in these Clauses (i) through (iv) of this Section 2.23(i) or otherwise in this Agreement (other than the proviso set forth directly below in this Clause), any SPV may (A) with notice to, but without the prior written consent of the Borrower or the Administrative Agent, at any time and without paying any processing fee therefor, assign or participate all or a portion of its interest in any Loans to the Designating Bank or to any financial institutions providing liquidity and/or credit support to or for the account of such SPV to support the funding or maintenance of Loans and (B) disclose on a confidential basis information relating to its Loans that pertains to Borrower's performance under the Fundamental Documents and all other information relating to its Loans provided by Borrower pursuant hereto, other than non-public information provided pursuant to Section 3.05 hereof and other than any other non-public information provided pursuant hereto to any rating agency, commercial paper dealer or provider of any surety, guaranty or credit or liquidity enhancements to such SPV; provided, however, that in no event may any non-public financial information provided by the Borrower or any Guarantor under this Agreement be provided by any SPV to any other Person. In no event shall the Borrower be obligated to pay to any SPV that has made a Loan any greater amount than the Borrower would have been obligated to pay under this Agreement if the Designating Bank had made such Loan. These Clauses (i) through (iv) of this Section 2.23(i) may not be amended without the written consent of any Designating Bank affected thereby.

SECTION 2.24. Taxes.

(a) No Deductions. All payments made by Borrower hereunder and under each Note shall be made free and clear of and without deduction for any present or future taxes, levies, imposts, deductions, charges, or withholdings, and all liabilities with respect thereto, excluding taxes imposed on the net income of any Bank and all income and franchise taxes applicable to any Bank of the United States (all such non-excluded taxes, levies, imposts, deductions, charges, withholdings, and liabilities being hereinafter referred to as "Taxes"). If Borrower shall be required by Law to deduct any Taxes from or in respect of any sum payable hereunder or under any Note, (i) the sum payable shall be increased as may be necessary so that after making all required deductions (including deductions applicable to additional sums payable under this Section 2.24) each Bank receives an amount equal to the sum it would have received had no such deductions been made, (ii) Borrower shall make such deductions and (iii) Borrower shall timely pay the full amount deducted to the relevant tax authority or other authority in accordance with applicable Law.

(b) Stamp Taxes. In addition, Borrower agrees to pay any present or future stamp or documentary taxes or any other excise or property taxes, charges, or similar levies which arise from any payment made hereunder or from the execution, delivery, or registration of, or otherwise with respect to, this Agreement or any Note (hereinafter referred to as "Other Taxes").

(c) Indemnification for Taxes Paid by a Bank. Borrower shall indemnify each Bank for the full amount of Taxes or Other Taxes (including, without limitation, any Taxes or Other Taxes imposed by any jurisdiction on amounts payable under this Section 2.24) paid by any Bank and any liability (including penalties, interest, and expenses) arising therefrom or with respect thereto, whether or not such Taxes or Other Taxes were correctly or legally asserted. This indemnification shall be made within 30 days from the date a Bank makes written demand therefor.

(d) Certificate. Within 30 days after the date of any payment of any Taxes by Borrower, Borrower shall furnish to each Bank, at its address referred to herein, the original or a certified copy of a receipt evidencing payment thereof. If no Taxes are payable in respect of any payment by Borrower, such Borrower shall, if so requested by a Bank, provide a certificate of an officer of Borrower to that effect.

(e) Survival. Without prejudice to the survival of any other agreement of Borrower hereunder, the agreements and obligations of Borrower contained in Clauses (a) through (d) of this Section 2.24 shall survive the payment in full of principal and interest hereunder and under any instrument delivered hereunder.

ARTICLE III
REPRESENTATIONS AND WARRANTIES

The Borrower represents and warrants to the Banks that:

SECTION 3.01. Organization; Corporate Powers. (a) Each of the Borrower and the Subsidiaries is a corporation or other business entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization; (b) each of the Borrower, and the Subsidiaries (i) has the corporate or other appropriate organizational power and authority to own its property and to carry on its business as now conducted and (ii) is qualified to do business in every jurisdiction where such qualification is necessary except where the failure so to qualify would not have a materially adverse effect on the condition, financial or otherwise, of the Borrower or of the Borrower and its Consolidated Subsidiaries taken as a whole; (c) each of the Borrower and the Guarantors has the corporate or other appropriate organizational power to execute, deliver and perform its obligations under the Fundamental Documents to which it is a party and the Borrower has the corporate power to borrow hereunder and to execute and deliver the Notes; and (d) each of the Guarantors has the corporate or other appropriate organizational power and authority to guaranty the Obligations as contemplated by Article VIII hereof.

SECTION 3.02. Authorization. The execution, delivery and performance of this Agreement and the other Fundamental Documents to which the Borrower or any of the Guarantors is or is to be a party, by each such party; in the case of the Borrower, the Borrowings hereunder and the execution and delivery of the Notes; and in the case of each Guarantor, the guaranty of the Obligations as contemplated in Article VIII (a) have been duly authorized by all requisite corporate or other appropriate organizational action on the part of the Borrower and each Guarantor; and (b) will not (i) violate (A) any law, rule or regulation of the United States or any state or political subdivision thereof, the certificate of incorporation or By-laws or other appropriate organizational documents of the Borrower or any of the Consolidated Subsidiaries, (B) any applicable order of any court or other agency of government or (C) any indenture, any agreement for borrowed money, any bond, note or other similar instrument or any other material agreement or contract to which the Borrower or any of the Consolidated Subsidiaries is a party or by which the Borrower or any of the Consolidated Subsidiaries or any of their respective properties are bound, (ii) be in conflict with, result in a breach of or constitute (with notice or lapse of time or both) a default under any such indenture, agreement, bond, note, instrument or other material agreement or contract or (iii) result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any property or assets of the Borrower or any of the Consolidated Subsidiaries except that, in the case of all the above, for any such violations, conflicts, breaches, defaults, liens, charges or encumbrances which would not have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole or adversely affect the rights or interests of the Banks.

SECTION 3.03. Enforceability. This Agreement and each other Fundamental Document to which the Borrower or any of the Guarantors is a party, is a legal, valid and binding obligation of each such party thereto, and is enforceable against each such party thereto in accordance with its terms, except as the enforceability thereof may be limited by the effect of any applicable bankruptcy, insolvency or similar laws affecting creditors' rights generally and by general principles of equity.

SECTION 3.04. Governmental Approvals. No action, consent or approval of, or registration or filing with, or any other action by any Governmental Authority is required in connection with the execution, delivery and performance by the Borrower and any of the Guarantors of this Agreement or of any other Fundamental Document to which it is a party, the Borrowings hereunder, the guaranty by the Guarantors of the Obligations under Article VIII or the execution and delivery of the Notes.

SECTION 3.05. Financial Statements and Condition. (a) The Borrower has heretofore furnished to each of the Banks audited Consolidated balance sheets of the Borrower and its Consolidated Subsidiaries as of December 31, 2000 and the related audited Consolidated statements of income, Consolidated statements of stockholders' equity and Consolidated statements of cash flows for the fiscal period then ended, together with related notes and supplemental information. The audited consolidated balance sheet, statement of income, statement of stockholders' equity and statement of cash flows are referred to herein as the "Audited Financial Statements." The Audited Financial Statements and the notes thereto were prepared in accordance with generally accepted accounting principles consistently applied, and present fairly the Consolidated financial position and results of operations and cash flows of the Borrower and its Consolidated Subsidiaries as of the dates and for the periods indicated, and such balance sheets and related notes show all known direct liabilities and all known contingent liabilities of a material nature of the Borrower and its Consolidated Subsidiaries as of such dates which are required to be included in such financial statements and the notes thereto in accordance with generally accepted accounting principles.

(b) The Borrower has delivered to each of the Banks pro forma consolidated projected financial results for the years 2001-2005. Such projected financial results are based on good faith estimates and assumptions believed to be reasonable by senior management of the Borrower as of the Execution Date.

(c) None of the Borrower or any Guarantor (each, a "Credit Party") is entering into the arrangements contemplated hereby and by the other Fundamental Documents or intends to make any transfer or incur any obligations hereunder or thereunder, with actual intent to hinder, delay or defraud either present or future creditors. On and as of the date of the initial Borrowing hereunder on a Pro Forma Basis after giving effect to all Indebtedness (including the Loans hereunder and the Indebtedness incurred by each Credit Party in connection therewith) (w) each Credit Party expects the cash available to such Credit Party and its Subsidiaries on a Consolidated basis, after taking into account all other anticipated uses of the cash of such Credit Party (including the payments on or in respect of debt referred to in clause (y) of this Section 3.05(c)), will be sufficient to satisfy all final judgments for money damages which have been docketed against such Credit Party and such Subsidiaries or which such Credit Party believes may be rendered against such Credit Party and such Subsidiaries in any action in which such Credit Party is a defendant on the Closing Date (taking into account the reasonably anticipated maximum amount of any such judgment and such Credit Party's belief as to the earliest time at which such judgment might be entered); (x) the sum of the present fair

saleable value of the assets of each Credit Party and its Subsidiaries on a Consolidated basis will exceed the probable liability of such Credit Party and such Subsidiaries on their debts (including their obligations under the Guaranty); (y) no Credit Party and its Subsidiaries on a Consolidated basis will have incurred or intends to incur, or believes that it will incur, debts beyond its ability to pay such debts as such debts mature (taking into account the timing and amounts of cash to be received by such Credit Party and such Subsidiaries from any source, and amounts to be payable on or in respect of debts of such Credit Party and such Subsidiaries and the amounts referred to in clause (w)); and (z) each Credit Party and its Subsidiaries on a Consolidated basis have sufficient capital with which to conduct their present and proposed business and the property of such Credit Party and such Subsidiaries does not constitute unreasonably small capital with which to conduct their present or proposed business. For purposes of this Section 3.05, "debt" means any liability on a claim, and "claim" means (i) right to payment whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed (other than those being disputed in good faith), undisputed, legal, equitable, secured or unsecured, or (ii) right to an equitable remedy for breach of performance if such breach gives rise to a payment, whether or not such right is reduced to judgment, liquidated, unliquidated, fixed, contingent, matured, unmatured, disputed, undisputed, legal, equitable, secured or unsecured. For purposes of this Section 3.05, "present fair saleable value" means the amount that may be realized if any person's assets are sold as an entirety with reasonable promptness in an arm's-length transaction under conditions for the sale of comparable business enterprises obtaining at the time of determination.

SECTION 3.06. [Reserved] .

SECTION 3.07. Title to Properties. All assets of the Borrower and the Subsidiaries are free and clear of Liens, except such as are permitted by Section 6.01.

SECTION 3.08. Litigation. There are no actions, suits or proceedings (whether or not purportedly on behalf of the Borrower or any of the Subsidiaries), pending or, to the knowledge of the Borrower, threatened against or affecting the Borrower or any of the Subsidiaries at law or in equity or before or by any federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which involve any of the transactions herein contemplated, or which have a reasonable likelihood of being determined adversely and if determined adversely to the Borrower or any of the Subsidiaries, would result in a material adverse change in the business, operations, prospects, properties, assets or condition (financial or otherwise) of the Borrower and its Consolidated Subsidiaries taken as a whole and neither the Borrower nor any of the Subsidiaries is in default with respect to any judgment, writ, injunction, decree, rule or regulation of any court or federal, state, municipal or other governmental department, commission, board, bureau, agency or instrumentality, domestic or foreign, which default would have a materially adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole or have an adverse effect on the Borrower's or the Guarantors' ability to comply with this Agreement or any other Fundamental Document.

SECTION 3.09. Tax Returns. The Borrower and each of the Subsidiaries have timely filed or caused to be filed all federal, state and local tax returns which, to the knowledge of the Borrower or such Subsidiary after due inquiry, are required to be filed and have paid or caused to be paid all taxes required to be paid with respect to such returns or any assessment received by it or by any of them to the extent that such taxes have become due, except taxes the validity of which are being contested in good faith by appropriate actions or proceedings and with respect to which the Borrower or such

Subsidiary, as the case may be, shall have made such reserve, or other adequate provision, if any, as shall be required by generally accepted accounting principles, and except for the filing of such returns as to which the failure to file will not, either individually or in the aggregate, have a material adverse effect on the Borrower and its Consolidated Subsidiaries taken as a whole, or have an adverse effect on the Borrower's or the Guarantors' ability to comply with this Agreement or any other Fundamental Document.

SECTION 3.10. Agreements. (a) None of the Borrower nor any of the Subsidiaries is subject to any charter or other corporate restriction materially and adversely affecting its business, properties, assets, operations or condition (financial or otherwise) or a party to any agreement or instrument materially and adversely affecting the business, properties, assets, operations or condition (financial or otherwise) of the Borrower and its Consolidated Subsidiaries taken as a whole. None of the Borrower or any of the Subsidiaries is in default in the performance, observance or fulfillment of any agreement or instrument for borrowed money by which it is bound, or any other agreement or instrument by which it is bound which individually or in the aggregate materially and adversely affects the business, properties, assets, operations or condition (financial or otherwise) of the Borrower and its Consolidated Subsidiaries taken as a whole.

(b) The Administrative Agent has been provided at or prior to the Execution Date (i) copies of all credit agreements, indentures and other agreements related to Indebtedness for borrowed money of the Borrower or any of the Subsidiaries in an amount greater than $10,000,000 and, to the extent requested by the Administrative Agent, copies of any other credit agreements, indentures and other agreements related to Indebtedness for borrowed money of the Borrower or any of the Subsidiaries and (ii) access to (and copies of, to the extent requested) any other contracts or purchase agreements (including collective bargaining agreements) which are material to the Borrower or the Subsidiaries.

SECTION 3.11. Employee Benefit Plans. (a) The Borrower and each of its ERISA Affiliates is in compliance in all material respects with the applicable provisions of ERISA and the Code and the regulations and published governmental interpretations thereunder. No Reportable Event has occurred with respect to any Plan (other than Plans which have been terminated and as to which the Borrower and its ERISA Affiliates do not have any significant remaining obligations or liabilities in connection therewith) as to which the Borrower or any of its ERISA Affiliates was required to file a report with the PBGC, and the present value of all benefit liabilities under each Plan maintained by the Borrower or any of its ERISA Affiliates (based on those assumptions used to fund such Plan) did not, as of the last annual valuation date applicable thereto, exceed by a material amount the value of the assets of such Plan. There has been no Prohibited Transaction with respect to any employee benefit plan subject to ERISA, including any Plan or to Borrower's knowledge any Multiemployer Plan or Multiple Employer Plan, which could result in any material liability to the Borrower or an ERISA Affiliate. No Plan has incurred an "accumulated funding deficiency" within the meaning of Section 412(a) or sought or obtained a waiver under Section 412(d)(1) or an extension of time under Section 412(e) of the Code. No suit, action or other litigation or investigation or a claim (excluding claims for benefits incurred in the ordinary course of Plan activities) has been threatened or brought against or with respect to any Plan. To the best of the knowledge of the Borrower and each of its ERISA Affiliates (i) no payment required to be made under any Plan would be nondeductible under Section 280G of the Code, and (ii) in the case of each Plan intended to qualify under Section 401(a) of the Code, all amendments to such Plan required for the continuing qualification of such Plan have been approved and adopted.

(b) None of the Borrower or any of its ERISA Affiliates has incurred any Withdrawal Liability that materially adversely affects the financial condition of the Borrower and its Consolidated Subsidiaries taken as a whole. None of the Borrower or any of its ERISA Affiliates has received any notification that any Multiemployer Plan or Multiple Employer Plan is in reorganization or has been terminated, within the meaning of Title IV of ERISA, and no Multiemployer Plan or Multiple Employer Plan is reasonably expected to be in reorganization or to be terminated, where such reorganization has resulted or can reasonably be expected to result in an increase in the contributions required to be made to such Plan that would materially and adversely affect the financial condition of the Borrower and its Consolidated Subsidiaries taken as a whole.

SECTION 3.12. Investment Company Act; Public Utility Holding Company Act; Federal Power Act. None of the Borrower or the Subsidiaries is or will during the term of this Agreement be (i) an "investment company" as the term is defined in the Investment Company Act of 1940, as amended, (ii) subject to regulation under the Investment Company Act of 1940, as amended, (iii) a "holding company" as that term is defined in the Public Utility Holding Company Act of 1935 or (iv) subject to regulation under the Public Utility Holding Company Act of 1935, the Federal Power Act or any foreign, federal or local statute or regulation limiting its ability to incur indebtedness for money borrowed or guaranty such indebtedness as contemplated hereby.

SECTION 3.13. Federal Reserve Regulations. Subject to Section 4.01(d), none of the Borrower or any of the Subsidiaries is engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying any margin stock (within the meaning of Regulation U). No part of the proceeds of the Loans hereunder will be used, whether directly or indirectly, and whether immediately, incidentally or ultimately, for any purpose that violates, or is inconsistent with, the provisions of Regulations T, U or X. If requested by any Bank, the Borrower will furnish to such Bank a statement, in conformity with the regulations, on Federal Reserve Form U-1 referred to in said Regulation U.

SECTION 3.14. Defaults; Compliance with Laws. None of the Borrower or any of the Subsidiaries is in default under this Agreement or otherwise in default under any other agreements with respect to borrowed money in an aggregate outstanding principal amount of $10,000,000 or more. The Borrower and each of the Subsidiaries has conducted its business and affairs so as to comply in all respects material to the Borrower and its Consolidated Subsidiaries taken as a whole with all applicable federal, state and local laws and regulations.

SECTION 3.15. Use of Proceeds. Proceeds of the Loans will be used for the purposes referred to in Section 2.03.

SECTION 3.16. Affiliated Companies. Set forth on Schedule 3.16 hereto is a complete and accurate list of all of the Subsidiaries of the Borrower and other persons in which the Borrower or a Subsidiary holds voting stock or a similar interest (other than companies as to which the Borrower or a Subsidiary, as applicable, owns, directly or indirectly, less than 5% of the outstanding voting stock), showing as of the Closing Date as to Subsidiaries (i) the jurisdiction of its incorporation, (ii) the number of shares of each class of capital stock authorized, (iii) the number of such shares outstanding, (iv) the percentage of such shares held directly or indirectly by the Borrower or a

Subsidiary, as applicable, and (v) the number of such shares covered by outstanding options, warrants, or rights held directly or indirectly by the Borrower or a Subsidiary, as applicable; provided, however, with respect to Clauses (ii) and (iii) directly above, Borrower may omit the information requested by such Clauses for all Subsidiaries having tangible assets in an amount less than $10,000,000 and, with respect to all other Subsidiaries organized under the laws of a jurisdiction other than the United States or a state thereof, Borrower shall have until forty-five (45) days after the date hereof to provide such information by way of a supplement to, or amendment and restatement of, Schedule 3.16 supplementing or amending solely the information required by such Clauses for such Subsidiaries. Except as set forth on Schedule 3.16, all of the outstanding capital stock of all of such Subsidiaries has been validly issued, is fully paid and nonassessable and is owned as set forth in Schedule 3.16 (directly or indirectly) by the Borrower or a Subsidiary, except for shares required to be owned by other persons under applicable foreign law (which shares do not exceed, for any such Subsidiary, 5% of the total outstanding shares of such Subsidiary), free and clear of all Liens and any options, warrants and other similar rights.

SECTION 3.17. Environmental Liabilities. (a) Except as set forth on Schedule 3.17 hereof, the Borrower and the Consolidated Subsidiaries have not used, stored, treated, transported, manufactured, refined, handled, produced or disposed of any Hazardous Materials on, under, at, from, or in any way affecting any of their properties or assets, or otherwise, in any manner which at the time of the action in question violated any Environmental Law governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials and to the best of the Borrower's knowledge, but without independent inquiry, no prior owner of such property or asset or any tenant, subtenant, prior tenant or prior subtenant thereof has used Hazardous Materials on, from or affecting such property or asset, or otherwise, in any manner which at the time of the action in question violated any Environmental Law governing the use, storage, treatment, transportation, manufacture, refinement, handling, production or disposal of Hazardous Materials, except in each instance such violations as in the aggregate would not have a material adverse effect upon the Borrower and the Consolidated Subsidiaries taken as a whole.

(b) Except as set forth on Schedule 3.17, the Borrower and its Consolidated Subsidiaries do not have any obligations or liabilities, matured or not matured, absolute or contingent, assessed or unassessed, which such would reasonably be expected to have a materially adverse effect on the business or financial condition of the Borrower and its Consolidated Subsidiaries taken as a whole and, except as set forth in Schedule 3.17, no claims have been made against the Borrower or any of its Consolidated Subsidiaries during the past five years and no presently outstanding citations or notices have been issued against the Borrower or its Consolidated Subsidiaries, where such would reasonably be expected to have a materially adverse effect on the business or financial condition of the Borrower and its Consolidated Subsidiaries taken as a whole, which in either case have been or are imposed by reason of or based upon any provision of any Environmental Laws, including, without limitation, any such obligations or liabilities relating to or arising out of or attributable, in whole or in part, to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any Hazardous Materials by the Borrower or the Consolidated Subsidiaries, in their respective capacities as such, or any of their respective employees, agents, representatives or predecessors in interest in connection with or in any way arising from or relating to the Borrower, the Consolidated Subsidiaries or any of their respective properties, or relating to or arising from or attributable, in whole or in part, to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of any such substance, by any other Person at or on or under any of the real properties owned or used by the Borrower, the Consolidated Subsidiaries or any other location where such would have a materially adverse effect on the business or financial condition of the Borrower and its Consolidated Subsidiaries taken as whole.

SECTION 3.18. Disclosure. Neither this Agreement nor any agreement, document, certificate or written statement furnished to any Bank or to the Administrative Agent for the benefit of the Banks by or on behalf of the Borrower or any of the Subsidiaries in connection with the transactions contemplated hereby, at the time it was furnished contained any untrue statement of a material fact or omitted to state a material fact, under the circumstances under which it was made, necessary in order to make the statements contained herein or therein not misleading provided that no representation or warranty other than that set forth in Section 3.05(b) is made with respect to the projected financial results of the Borrower for the years 2001-2005. At the date hereof, there is no fact known to the Borrower which materially and adversely affects, or in the future is reasonably expected to materially and adversely affect, the business, assets or financial condition, of the Borrower and its Consolidated Subsidiaries taken as a whole (other than facts or conditions affecting the economy generally).

SECTION 3.19. Insurance. As of the date of this Agreement, all insurance maintained by the Borrower and its Subsidiaries on their insurable properties and all other insurance maintained by them is in full force and effect and all premiums required to have been paid have been duly paid.

ARTICLE IV
CONDITIONS OF LENDING

SECTION 4.01. All Borrowings. The obligations of each of the Banks to make Loans hereunder on the date of each Borrowing hereunder shall be subject to the following conditions precedent:

(a) Notice. The Administrative Agent shall have received a notice of such Borrowing as required by Section 2.04 or 2.05, as applicable.

(b) Representations and Warranties. The representations and warranties set forth in Article III shall be true and correct in all material respects on and as of the date of such Borrowing with the same effect as if made on and as of such date, except to the extent that such representations and warranties expressly relate to an earlier date.

(c) No Default. The Borrower and each of the Guarantors shall be and the Borrower shall have caused each of the Subsidiaries to be in compliance with all of the terms and provisions set forth herein or in any other Fundamental Document on its part to be observed or performed, and immediately after such Borrowing no Event of Default or event which upon notice or lapse of time or both would constitute an Event of Default shall have occurred and be continuing.

(d) Margin Requirements. If the proceeds of any Loans are to be used, directly or indirectly, to purchase or carry any margin stock or to extend credit or refund indebtedness incurred for such purpose, the Borrower shall furnish to the Administrative Agent an opinion of counsel reasonably satisfactory to the Administrative Agent to the effect set forth in paragraph 7 of Exhibit D-1 to this Agreement.

(e) Additional Documents. The Banks shall have received from the Borrower on the date of each Borrowing such documents and information as they may reasonably request relating to the satisfaction of such conditions.

Each Borrowing hereunder shall be deemed to be a representation and warranty by the Borrower on the date of such Borrowing as to the matters specified in paragraphs (b) and (c) of this Section 4.01.

SECTION 4.02. Closing Date. The obligations of the Banks to make Loans hereunder are subject to the following additional conditions precedent:

(a) Closing Date. (i) The Closing Date shall have occurred on or before the 30th day following the Execution Date, and (ii) on the Closing Date, there shall have been no material adverse change in the business, assets, condition (financial or otherwise) or results of operations of the Borrower and its Consolidated Subsidiaries taken as a whole since December 31, 2000, except as previously disclosed in writing to the Banks prior to the Execution Date.

(b) Notes. On the Closing Date, each Bank shall have received a duly executed Competitive Note and Revolving Credit Note complying with the provisions of Section 2.08.

(c) Opinions of Counsel. On the Closing Date, each Bank shall have received the favorable written opinion of Brian M. Addison, Esq., Secretary and General Counsel of the Borrower, dated the Closing Date, addressed to each Bank and satisfactory to Buchanan Ingersoll, PC, counsel to the Administrative Agent, substantially in the form of Exhibit D.

(d) Corporate Documents. On or before the Closing Date, each Bank shall have received (i) a copy of the Certificate of Incorporation, as amended, of each of the Borrower and each Guarantor, certified as of a recent date by the Secretary of State of the state of incorporation of such person; (ii) a certificate of such Secretary of State, dated as of a recent date, as to the good standing of, and payment of taxes by, the Borrower and each Guarantor, as applicable, and as to the charter documents of the Borrower and each Guarantor, as applicable, on file in the office of each such Secretary of State; (iii) a certificate of the Secretary of each of the Borrower and each Guarantor, each dated the Closing Date and certifying (A) that attached thereto is a true and complete copy of the By-laws of the Borrower or such Guarantor, as applicable, as in effect on the date of such certification, (B) that attached thereto is a true and complete copy of resolutions adopted by the Board of Directors of the Borrower or such Guarantor, authorizing the execution, delivery and performance of the Fundamental Documents to which it is a party, (C) that the Certificate of Incorporation of the Borrower or such Guarantor, as applicable, has not been amended since the date of the last amendment thereto indicated on the applicable certificate of the Secretary of State furnished pursuant to clause (ii) above and (D) as to the incumbency and specimen signature of each officer of the Borrower or such Guarantor, as applicable, executing the Fundamental Documents to which it is a party, or any other document delivered in connection herewith or therewith, as the case may be, (each such certificate to contain a certification by another officer of the Borrower or such Guarantor, as applicable, as to the incumbency and signature of the officer signing the certificate referred to in this clause (iii)); and (iv) such other documents as any Bank or counsel for the Administrative Agent may reasonably request.

(e) Required Consents and Approvals. Except as noted on Schedule 4.02, all required consents and approvals shall have been obtained on or before the Closing Date with respect to the transactions contemplated hereby from all Governmental Authorities with jurisdiction over the business and activities of the Borrower and the Subsidiaries.

(f) Federal Reserve Regulations. The Administrative Agent shall be satisfied on or before the Closing Date that the provisions of Regulations T, U and X of the Board will not be violated by the transactions contemplated hereby.

(g) Contribution Agreement. The Administrative Agent shall have received on or before the Closing Date the Contribution Agreement, duly executed by the Borrower and each Guarantor.

(h) Fees and Expenses. On the Closing Date, all accrued but unpaid Facility Fees and fees due to the Banks or Administrative Agent, or both, all as contemplated by Section 2.07, and all amounts referred to in Section 10.04 then due, shall have been or shall be simultaneously paid in full.

(i) Existing Indebtedness. Concurrently with the transactions contemplated hereby, on the Closing Date that 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement dated as of October 23, 1997, as amended, modified, and supplemented through the date hereof, among the Borrower, the guarantors and banks, party thereto, and The Chase Manhattan Bank, as Agent, and ABN AMRO Bank N.V., as Documentation Agent, shall have been terminated.

(j) Officer's Certificate. On the Closing Date, the Banks shall have received a certificate of Borrower provided on its behalf by a Financial Officer dated the Closing Date certifying (i) compliance with Section 4.01(b) and (c) hereof, and (ii) the veracity of Section 4.02(a)(ii).

(k) Other Documents. On the Closing Date, the Administrative Agent shall have received such other documents as the Administrative Agent may reasonably require.

ARTICLE V
AFFIRMATIVE COVENANTS

The Borrower covenants and agrees with each Bank that, so long as this Agreement shall remain in effect or the principal of or interest on any Note or any other expenses or amounts payable hereunder shall be unpaid or the Commitments are in effect, unless the Required Banks otherwise consent in writing, it will, and it will cause each of its Subsidiaries and, with respect to Section 5.07 only, its ERISA Affiliates to:

SECTION 5.01. Corporate Existence. Do or cause to be done all things necessary to preserve, renew and keep in full force and effect its corporate existence, material rights, licenses, permits and franchises; provided that nothing in this Section 5.01 shall prevent the abandonment or termination of the corporate existence, rights or franchises of any Subsidiary or the Borrower if such abandonment or termination would not have a material adverse effect upon the business, assets, liabilities, financial condition, results of operations or business prospects of the Borrower and its Subsidiaries taken as a whole or the ability of the Borrower to perform its obligations hereunder or under any other Fundamental Document.

SECTION 5.02. Maintenance of Property. At all times maintain and preserve all property used or useful in working order and condition, and from time to time make, or cause to be made, all needful and proper repairs, renewals and replacements thereto, so that the business carried on in connection therewith may be properly conducted at all times, except to the extent that the failure to do so would not have a material adverse effect upon the business, assets, liabilities, financial condition, results of operations or prospects of the Borrower and its Subsidiaries taken as a whole or on the ability of the Borrower or any Guarantor to perform its obligations hereunder or under any other Fundamental Document.

SECTION 5.03. Insurance. (a) Keep its insurable properties adequately insured at all times; (b) maintain such other insurance, to such extent and against such risks, including fire and other risks insured against by extended coverage, as is customary with companies in the same or similar businesses; (c) maintain in full force and effect public liability insurance against claims for personal injury or death or property damage occurring upon, in, about or in connection with the use of any properties owned, occupied or controlled by the Borrower or any Subsidiary, as the case may be, in such amount as the Borrower or such Subsidiary, as the case may be, shall reasonably deem necessary; and (d) maintain such other insurance as may be required by law. The Borrower and the Subsidiaries may self-insure to the extent customary with companies in the same or similar businesses.

SECTION 5.04. Obligations and Taxes. Pay all its indebtedness and obligations promptly and in accordance with their terms except to the extent that the failure to do so would not have a material adverse effect upon the business, assets, liabilities, financial condition, results of operations or prospects of the Borrower and its Subsidiaries taken as a whole or on the ability of the Borrower or any Guarantor to perform its obligations hereunder or under any other Fundamental Document and pay and discharge promptly all taxes, assessments and governmental charges or levies imposed upon it or upon its income or profits or in respect of its property (and use its best efforts to do so), prior to the time penalties would attach thereto, as well as all lawful claims for labor, materials and supplies or otherwise which, if unpaid, might become a Lien or charge upon such properties or any part thereof; provided, however, that none of the Borrower or any of the Subsidiaries shall be required to pay and discharge or to cause to be paid and discharged any such tax, assessment, charge, levy or claim so long as the validity or amount thereof shall be contested in good faith by appropriate actions or proceedings and the Borrower or such Subsidiary, as the case may be, shall have made such reserve, or other adequate provision, if any, as shall be required by generally accepted accounting principles with respect to any such tax, assessment, charge, levy or claim so contested.

SECTION 5.05. Financial Statements; Reports, etc. Furnish to the Banks:

(a) As soon as available, but in any event within 90 days after the end of each fiscal year of the Borrower, the Consolidated balance sheet as of the end of such fiscal year of the Borrower and its Consolidated Subsidiaries, the related Consolidated statements of income and the Consolidated statements of cash flows for the year then ended of the Borrower and its Consolidated Subsidiaries, the foregoing Consolidated financial statements to be (x) examined by, and to carry the report reasonably acceptable to the Banks of PriceWaterhouse Coopers LLC or other independent public accountants of similar nationally recognized standing reasonably acceptable to the Banks, and to be in the form of the financial statements included in the Borrower's annual report on Form 10K filed with the Securities and Exchange Commission for the fiscal year ended December 31, 2000, and (y) accompanied by a certificate of said accountants stating that in making the examination necessary for expressing their opinion on such statements they have obtained no knowledge, of a financial or accounting nature, of any violation of any of the terms or provisions of this Agreement or any other Fundamental Document, or of the occurrence of any condition or event which, with notice or lapse of time or both, would constitute an Event of Default, or, if such accountants shall have obtained knowledge of any such violation, condition or event, they shall specify in such certificate all such violations, conditions and events, and the nature thereof, it being understood that said accountants shall not be liable to anyone for failure to obtain such knowledge. All such Consolidated financial statements shall be compiled in reasonable detail in accordance with generally accepted accounting principles applied on a consistent basis throughout the periods reflected therein, except as stated therein, and fairly present the financial position and results of operations and cash flows of the Borrower and its Consolidated Subsidiaries for the respective periods indicated.

(b) As soon as available, but in any event within 60 days after the end of each of the first three fiscal quarters of each fiscal year, an unaudited Consolidated condensed balance sheet, and the related unaudited Consolidated condensed statements of income for such quarter and for the then elapsed portion of the fiscal year, and the Consolidated condensed statements of cash flows of the Borrower and its Consolidated Subsidiaries for the then-elapsed portion of the fiscal year, the foregoing Consolidated condensed financial statements to be in reasonable detail (comparable to the Consolidated condensed financial statements for the quarter ended June 30, 1997 heretofore delivered to the Banks) and stating (with respect to the unaudited Consolidated condensed statements of income and cash flows) in comparative form the figures as at the end of and for the comparable periods of the preceding fiscal year and to be certified by a Financial Officer of the Borrower in his capacity as such as being to the best of his knowledge and belief correct and complete and as presenting fairly the consolidated financial position and results of operations of the Borrower and its Consolidated Subsidiaries in accordance with generally accepted accounting principles (other than the omission of the notes to the financial statements required by generally accepted accounting principles) applied on a basis consistent with previous fiscal years, in each case subject to normal year-end adjustments.

(c) Concurrently with (a) and (b) above, a certificate of a Financial Officer of the Borrower, certifying in his capacity as such (i) that to the best of his knowledge and belief no Event of Default, or event which with notice or lapse of time or both would constitute such an Event of Default or event has occurred, and, if so, specifying the nature and extent thereof and specifying any corrective action taken or proposed to be taken with respect thereto, (ii) that to the best of his knowledge and belief the Borrower is in compliance with the covenants set forth in Sections 6.09, 6.10 and 6.11, (iii) setting forth in reasonable detail calculations demonstrating compliance with Sections 6.01(x), 6.02, 6.04, and 6.06(c), and (iv) setting forth the calculation in reasonable detail of the Consolidated Interest Coverage Ratio as at the end of such fiscal quarter and for the period of four fiscal quarters then ended treated as a single accounting period, and any change in pricing anticipated to become effective pursuant to such notice. In furtherance of the foregoing Clauses (ii), (iii), and (iv), Borrower shall furnish to the Banks a certificate, substantially in the form of Exhibit H (a "Compliance Certificate"), evidencing such compliance and setting forth such calculations.

(d) Promptly upon their becoming available, copies of all financial statements, reports, notices and proxy statements sent or made available generally by the Borrower to its public security holders, of all regular and periodic reports and all registration statements and prospectuses, if any, filed by the Borrower with any securities exchange or with the Securities and Exchange Commission, or any comparable foreign bodies, and of all press releases and other statements made available generally by any of them to the public concerning material developments in the business of the Borrower.

(e) Promptly, from time to time, such other information regarding the financial condition and business operations of the Borrower and its Consolidated Subsidiaries as any Bank may reasonably request (with a copy of any such written information provided to the Administrative Agent).

SECTION 5.06. Defaults and Other Notices. Give the Administrative Agent prompt (but in any event not later than five Business Days after an officer of the Borrower shall become aware of the occurrence of such event) written notice of the following:

(a) any Event of Default and any event which with notice or lapse of time or both would constitute an Event of Default; and

(b) any development (other than those specified above as to which the Administrative Agent has received due notice) which has resulted in, or which the Borrower reasonably believes will result in, a material adverse change in the business, assets, liabilities or financial condition of the Borrower and its Consolidated Subsidiaries taken as a whole or the ability of the Borrower to perform its obligations hereunder.

SECTION 5.07. ERISA. (a) Comply in all material respects with the applicable provisions of ERISA and the Code, (b) cause all Plans to be funded in accordance with the minimum funding standards of the Code and ERISA and cause all due and owing contributions to be made to Multiemployer Plans, and (c) furnish to the Administrative Agent (i) as soon as possible, and in any event within 30 days after any officer of the Borrower or any of its ERISA Affiliates knows or has reason to know that any Reportable Event with respect to any Plan has occurred that alone or together with any other Reportable Event with respect to the same or another Plan could reasonably be expected to result in liability of the Company to the PBGC in an aggregate amount exceeding $5,000,000, a statement of a Financial Officer setting forth details as to such Reportable Event and the action that the Borrower proposes to take with respect thereto, together with a copy of the notice of such Reportable Event, if any, given to the PBGC, (ii) promptly after receipt thereof, a copy of any notice the Borrower or any of its ERISA Affiliates may receive from the PBGC relating to the intention of the PBGC to terminate any Plan or Plans or to appoint a trustee to administer any such Plan, (iii) within 10 days after a filing with the PBGC pursuant to Section 412(n) of the Code of a notice of failure to make a required installment or other payment with respect to a Plan, a statement of a Financial Officer setting forth details as to such failure and the action that the Borrower proposes to take with respect thereto, together with a copy of such notice given to the PBGC and (iv) promptly and in any event within 30 days after receipt thereof by the Borrower or any of its ERISA Affiliates from the sponsor of a Multiemployer Plan or Multiple Employer Plan, a copy of each notice received by the Borrower or any ERISA Affiliate of the Borrower concerning (A) the imposition of Withdrawal Liability by a Multiemployer Plan or Multiple Employer Plan in an amount exceeding $5,000,000 or (B) a determination that a Multiemployer Plan or Multiple Employer Plan is, or is expected to be, terminated or in reorganization, both within the meaning of Title IV of ERISA, and which, in each case, is expected to result in an increase in annual contributions of the Borrower or any of its ERISA Affiliates to such Multiemployer Plan or Multiple Employer Plan in an amount exceeding $5,000,000.

SECTION 5.08. Access to Premises and Records. Maintain the financial records of the Borrower and its Consolidated Subsidiaries in accordance with generally accepted accounting principles and permit representatives of the Banks to have access, at all reasonable times upon reasonable notice, to the Borrower and any of its Subsidiaries and their properties and to make such excerpts from such financial books and records as such representatives reasonably request and to discuss the business, operations, properties and financial and other condition of the Borrower and such Subsidiaries with officers and employees of the Borrower and such Subsidiaries and the independent certified public accountants of the Borrower; provided that no Bank shall purchase, sell or otherwise acquire or dispose of any interest in a security of the Borrower in the public markets on the basis of any material nonpublic information so obtained.

SECTION 5.09. Compliance with Laws, etc. The Borrower and its Subsidiaries shall comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of any Governmental Authority, except to the extent that the failure to do so would not have a material adverse effect upon the business, assets, liabilities, financial condition, results of operations or prospects of the Borrower and its Subsidiaries taken as a whole or on the ability of the Borrower or any Guarantor to perform its obligations hereunder or under any other Fundamental Document. If any authorization or approval or other action by, or notice to or filing with, any Governmental Authority is required for the performance by the Borrower of this Agreement or any other Fundamental Document, the Borrower will promptly obtain such approval or make such notice or filing and shall provide satisfactory evidence thereof to the Administrative Agent.

SECTION 5.10. Security Interests. If any property of the Borrower or any of its Subsidiaries, whether now owned or hereafter acquired, is subjected to any Lien not permitted by Section 6.01, the Borrower will make, or will cause to be made, effective provision whereby the Obligations shall be secured equally and ratably with all other obligations secured by such Lien, and, if such provision is not made, an equitable lien, so equally and ratably securing the Obligations, shall exist on such property to the full extent permitted under applicable law; it being understood that the Borrower's compliance with the provisions of this Section 5.10 shall not, in any way, constitute a cure by the Borrower or a waiver by the Banks of the Borrower's failure to perform or observe any of the covenants or agreements in Section 6.01.

SECTION 5.11. Subsidiary Guarantors. Promptly upon any person incorporated in the United States becoming a Subsidiary that is a Material Subsidiary, or upon any Subsidiary incorporated in the United States becoming a Material Subsidiary, the Borrower agrees that it or the other direct owner of such Subsidiary shall cause such Subsidiary to sign such an instrument substantially in the form of Exhibit G hereto, under which such Subsidiary shall become a party hereto and to the Contribution Agreement, the other Fundamental Documents (to the extent that Guarantors are parties thereto), and the Intercreditor Agreement, in each case as a Guarantor and assume all obligations of a Guarantor under the Credit Agreement, all in a manner satisfactory to the Administrative Agent and its counsel; provided, however, the Borrower shall be permitted at any time to cause any of its Subsidiaries not then subject to this Section 5.11 to become a party to this Agreement and the other agreements set forth above in accordance with the requirements hereof, and provided further that, in the case of any additional Guarantor that is organized under the laws of a jurisdiction other than the United States or a state thereof, the Administrative Agent on behalf of the Banks and itself shall have received an opinion of counsel, admitted to practice in the relevant foreign jurisdiction, in form and substance satisfactory to the Administrative Agent.

SECTION 5.12. Environmental Laws. (a) Promptly notify the Administrative Agent upon any Senior Officer of the Borrower becoming aware of any violation or noncompliance with, or liability under any Environmental Laws which, when taken together with all other pending violations would reasonably be expected to be materially adverse to the Borrower and the Consolidated Subsidiaries taken as a whole, and promptly furnish to the Administrative Agent all notices of any nature which the Borrower or any Consolidated Subsidiaries may receive from any Governmental Authority or other Person with respect to any violation, or potential violation or noncompliance with, or liability or potential liability under any Environmental Laws which, in any case or when taken together with all such other notices, would reasonably be expected to have a material adverse effect on the Borrower and the Consolidated Subsidiaries taken as a whole.

(b) Comply with and use reasonable efforts to ensure compliance by all tenants and subtenants with all Environmental Laws, and obtain and comply in all material respects with and maintain and use reasonable efforts to ensure that all tenants and subtenants obtain and comply in all material respects with and maintain any and all licenses, approvals, registrations or permits required by Environmental Laws.

(c) Conduct and complete all investigations, studies, sampling and testing, and all remedial, removal and other actions required under all Environmental Laws and promptly comply in all material respects with all lawful orders and directives of all Governmental Authorities.

(d) Defend, indemnify and hold harmless the Administrative Agent and the Banks, and their respective employees, agents, officers and directors, from and against any claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses of whatever kind or nature, known or unknown, contingent or otherwise, arising out of, or in any way related to the violation of or noncompliance with any Environmental Laws, or any orders, requirements or demands of Governmental Authorities related thereto, including, without limitation, reasonable attorney and consultant fees, investigation and laboratory fees, court costs and litigation expenses, but excluding therefrom all claims, demands, penalties, fines, liabilities, settlements, damages, costs and expenses arising out of or resulting from (i) the gross negligence or willful misconduct of such indemnified party or (ii) any acts or omissions of any indemnified party occurring after such indemnified party is in possession of, or controls the operation of, any property or asset.

SECTION 5.13. Senior Debt Status. Maintain the Obligations on at least a pari passu basis in priority of payment with all other Indebtedness of Borrower and the Guarantors, except with respect to Indebtedness to the extent secured by Liens permitted by Section 6.01.

ARTICLE VI
NEGATIVE COVENANTS

The Borrower covenants and agrees with the Banks that, so long as this Agreement shall remain in effect or the principal of or interest on any Note or any other expenses or amount payable hereunder shall be unpaid or the Commitments are in effect, unless the Required Banks otherwise consent in writing, it will not, and it will not cause or permit any of its Subsidiaries, directly or indirectly, to:

SECTION 6.01. Liens. Incur, create or permit to exist any Lien on (or sale and leaseback transaction with respect to) any property, assets or stock owned or hereafter acquired by the Borrower or any of its Subsidiaries, other than Liens in favor of the Administrative Agent for the benefit of the Banks and:

(i) Liens for taxes, assessments or governmental charges or levies not yet delinquent or thereafter payable without penalty for nonpayment or (if foreclosure, distraint, sale or other similar proceedings shall not have been commenced) being contested in good faith and by appropriate actions or proceedings promptly initiated and diligently conducted, if such reserve or other appropriate provision, if any, as shall be required by generally accepted accounting principles shall have been made therefor;

(ii) Liens of carriers, warehousemen, mechanics and materialmen incurred in the ordinary course of business for sums not yet due or being contested in good faith and by appropriate actions or proceedings promptly initiated and diligently conducted, if such reserve or other appropriate provision, if any, as shall be required by generally accepted accounting principles shall have been made therefor;

(iii) Liens incurred or deposits made in the ordinary course of business, in connection with workers' compensation, unemployment insurance and other social security, or to secure the performance of bids, tenders, leases, contracts (other than the repayment of borrowed money), statutory obligations, surety, customs and appeal bonds;

(iv) zoning restrictions, easements, licenses, reservations, provisions, covenants, conditions, waivers, restrictions on the use of real property or minor irregularities of title to real property (and with respect to leasehold encumbrances or interests, mortgages, obligations, liens and other encumbrances incurred, created, assumed or permitted to exist and arising by, through or under or asserted by a landlord or owner of the leased property, with or without consent of the lessee), none of which materially impairs the use of any parcel of real property material to the operation of the business of the owner thereof or the value of such property for the purpose of such business;

(v) Liens securing purchase money Indebtedness of the Borrower and its Subsidiaries; provided that (A) such Liens shall not encumber any property other than the property acquired, (B) the Indebtedness secured thereby does not exceed the purchase price of such property, and (C) such transaction does not otherwise violate this Agreement;

(vi) Liens upon assets of a corporation existing at the time such corporation is merged into or consolidated with the Borrower or a Subsidiary or at the time of its acquisition by the Borrower or a Subsidiary or its becoming a Subsidiary; provided that such Lien does not spread to any other asset at any time owned by the Borrower or any Subsidiary;

(vii) Liens in existence on the date hereof which are listed in Schedule 6.01 (which Schedule includes all such Liens (other than Liens of the types described in paragraphs (i) through (v) above) securing obligations in excess of $500,000);

(viii) Liens arising out of the renewal or refunding of any Indebtedness of the Borrower and its Subsidiaries secured by Liens permitted by the foregoing; provided that the aggregate principal amount of such Indebtedness is not increased and is not secured by additional assets and the Indebtedness secured by the Lien is permitted under this Agreement;

(ix) Liens in connection with attachments, judgments or awards as to which an appeal or other appropriate proceedings for contest or review are promptly commenced and diligently pursued in good faith (and as to which foreclosure and other enforcement proceedings shall not have been commenced (unless fully bonded or otherwise effectively stayed)); and

(x) other Liens on assets with an aggregate book value for all such assets subject to Liens, which when added to the aggregate book value of assets subject to Sale and Leaseback Transactions permitted under Section 6.06(c), do not at the time in effect exceed 10% of Consolidated Net Worth.

SECTION 6.02. Indebtedness. Permit any of the foreign Subsidiaries or any domestic Subsidiaries which are not Guarantors hereunder to incur, create, assume, become or be liable in any manner with respect to, or permit any of such Subsidiaries to permit or suffer to exist, any Indebtedness, unless after giving effect to such Indebtedness the total Indebtedness of all such Subsidiaries is no greater than 15% of Consolidated Net Worth; provided, however, this Section 6.02 shall not apply to any Subsidiary which becomes a Guarantor hereunder in accordance with Section 5.11 hereof.

SECTION 6.03. Mergers, Consolidations, Sales of Assets and Acquisitions. Neither the Borrower nor any Subsidiary (in one transaction or series of transactions) will wind up, liquidate or dissolve its affairs, or enter into any transaction of merger or consolidation, or sell or otherwise dispose of all or any part of its property or assets, except:

(a) mergers between the Borrower and a Subsidiary (provided that Borrower shall be the surviving corporation) or between Subsidiaries;

(b) sales of inventory, marketable securities, receivables owed to a foreign subsidiary and receivables of the Borrower or any Subsidiary from export sales, in each case in the ordinary course of business;

(c) sales permitted pursuant to Section 6.06;

(d) subject to Section 6.03(e) below, any merger (other than as described in (a) above), consolidation, dissolution or liquidation; provided, however, that (i) immediately prior to and on a Pro Forma Basis after giving effect to such transaction no Default or Event of Default has occurred or is continuing, (ii) if such transaction involves a Person other than the Borrower and its Subsidiaries, the Administrative Agent shall promptly receive a certificate of a Financial Officer of the Borrower confirming that such transaction complies with the requirements set forth in this section and (iii) if such transaction involves the Borrower, the Borrower is the surviving entity;

(e) a disposition of less than substantially all of the assets of the Borrower and its Subsidiaries, taken as a whole, (i) for consideration which represents fair market value (as reasonably determined in good faith by the Borrower's Board of Directors) or, at a price determined by the Board of Directors of the Borrower to be in the best interests of the Borrower under circumstances where the Board of Directors of the Borrower deems a sale on terms other than fair market value to be in the best interest of the Borrower, (ii) immediately prior to and on a Pro Forma Basis after giving effect thereto, no Event of Default or Default shall have occurred and be continuing and (iii) if the transaction involves consideration of $20,000,000 or more, the Administrative Agent shall promptly receive a certificate of a Financial Officer of the Borrower confirming that such transaction complies with the requirements set forth in this section; and

(f) acquisitions of an interest in any business from any Person (whether pursuant to a merger, an acquisition of stock, assets, a business unit or otherwise); provided that (i) immediately prior to and on a Pro Forma Basis after giving effect thereto, no Event of Default or Default shall have occurred and be continuing and (ii) if the transaction involves consideration equal to or in excess of $10,000,000, the Administrative Agent shall promptly receive a certificate of a Financial Officer of the Borrower confirming that such transaction complies with the requirements set forth in this section.

SECTION 6.04. Change of Business. Engage in any business activities other than those related or incidental to its present business activities, namely, the manufacture and wholesale distribution of (i) dental supplies and equipment, (ii) medical/industrial supplies and equipment and (iii) other healthcare products; provided that (x) the business activities, described in clause (iii) shall not at any time represent more than 20% of the Consolidated Net Income of the Borrower and the Subsidiaries as of the end of the then most recently completed fiscal year of the Borrower, and (y) the assets of the business activities described in clause (iii) shall not at any time represent more than 20% of the Consolidated assets of the Borrower and the Subsidiaries.

SECTION 6.05. Transactions with Affiliates. Enter into any transactions with or provide any employee benefits to any Affiliate of the Borrower or any Subsidiary except (a) in the ordinary course of business and upon fair and reasonable terms no less favorable than the Borrower or the Subsidiary concerned could, in the good faith judgment of senior management of the Borrower, obtain or could become entitled to in an arm's-length transaction with a person or entity which was not an Affiliate of the Borrower or such Subsidiary, (b) transactions involving the Borrower and one or more Subsidiaries exclusively, (c) transactions involving two or more Subsidiaries exclusively, (d) transactions with the ESOP or other similar foreign employee stock ownership plans of Subsidiaries of the Borrower which do not materially and adversely affect the interests of the Administrative Agent or the Banks under the Fundamental Documents, and (e) transactions otherwise expressly permitted hereunder.

SECTION 6.06. Sale and Leaseback. Enter into any arrangement, directly or indirectly, with any person whereby it shall sell or transfer any property, whether real or personal, and used or useful in its business, whether now owned or hereafter acquired, if the Borrower or any of its Subsidiaries at the time of such sale or disposition intends to lease or otherwise acquire the right to use or possess (except by purchase) such property or like property for a substantially similar purpose (a "Sale and Leaseback Transaction") except:

(a) the Des Plaines Lease;

(b) for any such Sale and Leaseback Transaction in which the property is sold by the Borrower to a Subsidiary or by a Subsidiary to the Borrower or another Subsidiary; or

(c) the Borrower or any Subsidiary may enter into any Sale and Leaseback Transaction if (i) at the time of such Sale and Leaseback Transaction no Default or Event of Default shall have occurred and be continuing, (ii) the proceeds from the sale of the subject property shall be equal to not less than 80% of its fair market value (as reasonably determined by the Borrower's Board of Directors) and (iii) after giving effect to such Sale and Leaseback Transaction, the aggregate book value of all assets of the Borrower and the Subsidiaries subject to Sale and Leaseback Transactions when added to the aggregate book value of assets subject to Liens permitted under Section 6.01(x) and excluding those described in paragraphs (a) and (b) above, shall not at any time exceed 10% of Consolidated Net Worth.

SECTION 6.07. Dividends by Subsidiaries. Create, incur, assume or permit to exist any agreement or instrument which has the effect of restricting or prohibiting the power, authority or legal right of such Subsidiary to declare or pay any dividend or other distribution.

SECTION 6.08. Amendments to Certain Documents. Amend, modify or otherwise change (a) any covenant or event of default in any material indenture or other material agreement or material instrument relating to any Indebtedness or (b) any of its constitutive documents, in either case in any manner materially adverse to the interests of the Administrative Agent or the Banks under the Fundamental Documents.

SECTION 6.09. Minimum Consolidated Net Worth. Permit Consolidated Net Worth at any time to be less than (x) $450,000,000 plus (y) 25% of aggregate Consolidated Net Income for each full fiscal quarter for which such Consolidated Net Income is positive that shall have been completed during the period from the Closing Date to the date of determination.

SECTION 6.10. Interest Coverage. Permit the Consolidated Interest Coverage Ratio at the end of any fiscal quarter to be less than 3.5 to 1.0 for the period of the four consecutive fiscal quarters then ended treated as a single accounting period.

SECTION 6.11. Debt Ratio.

(a) In the event that the Proposed Acquisition occurs no later than August 30, 2001, then upon and after the Proposed Acquisition, permit the Debt Ratio at any such time through December 31, 2002, to be greater than 0.60 to 1.0 or permit the Debt Ratio at any time after December 31, 2002, to be greater than 0.50 to 1.0.

(b) Prior to the date of the Proposed Acquisition or in the event that the Proposed Acquisition does not occur by August 30, 2001, permit the Debt Ratio at any such time through May 24, 2002, to be greater than 0.55 to 1.0 or permit the Debt Ratio at any time thereafter to be greater than 0.50 to 1.0.

SECTION 6.12. Fiscal Year. Change its fiscal year or modify or change accounting treatments or reporting practices except as otherwise permitted or required by generally accepted accounting principles.

ARTICLE VII
EVENTS OF DEFAULT

In the case of the happening of any of the following events (hereinafter called "Events of Default"):

(a) any representation or warranty made by the Borrower or any of the Guarantors in connection with this Agreement or any other Fundamental Document or with the execution and delivery of the Notes or the borrowings hereunder or any statement or representation made in any report, certificate, financial statement or other instrument furnished by the Borrower or any of the Guarantors to the Banks or the Administrative Agent pursuant to this Agreement or any other Fundamental Document shall prove to have been false or misleading in any material respect when made or delivered;

(b) default shall be made in the payment of the principal of or interest on any Note or of any fees or other amounts payable by the Borrower hereunder, when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment thereof or by acceleration thereof or otherwise, and, in the case of interest, such default shall continue unremedied for five Business Days;

(c) default shall be made with respect to the payment of any amount due under any agreement or other evidence of Indebtedness for borrowed money (other than the Notes) of the Borrower or any of the Subsidiaries in an aggregate outstanding principal amount of $10,000,000 or more; or any other default shall be made with respect to any such Indebtedness and such Indebtedness shall have been accelerated so that any payment in respect of such Indebtedness shall be or become due prior to its maturity or scheduled due date;

(d) default shall be made in the due observance or performance of any covenant, condition or agreement on the part of the Borrower on its own behalf or on behalf of any of the Subsidiaries or any of the Guarantors contained in Article VI or Article VIII hereof; provided that in the case of a default under Section 6.01, resulting solely from incurrence of a prohibited obligation by a Subsidiary without the approval or knowledge of any officer of the Borrower, such default shall continue unremedied for 30 days;

(e) the guaranty under Article VIII hereof shall (i) not remain in full force and effect, be declared null and void or shall not be enforceable against the Guarantors in accordance with its terms and such guaranty shall not be reinstated to full force and effect and enforceability against the Guarantors in accordance with its terms within 30 days or (ii) be disaffirmed or repudiated by the Borrower or any such Guarantor;

(f) default shall be made in the due observance or performance of any other covenant, condition or agreement to be observed or performed by the Borrower on its own behalf or on behalf of any of the Subsidiaries or any of the Guarantors pursuant to the terms hereof or of any other Fundamental Document and such default shall continue unremedied for a period equal to the sum of 30 days after such failure shall have first occurred plus an additional three Business Days;

(g) the Borrower or any Material Subsidiary shall (i) voluntarily commence any proceeding or file any petition seeking relief under Title 11 of the United States Code or any other federal or state bankruptcy, insolvency or similar law now or hereafter in effect, (ii) consent to the institution of, or fail to controvert in a timely and appropriate manner, any such proceeding or the filing of any such petition, (iii) apply for or consent to the appointment of a receiver, trustee, custodian, sequestrator or similar official for the Borrower or any such Material Subsidiary or for a substantial part of its property, (iv) file an answer admitting the material allegations of a petition filed against it in any such proceeding, (v) make a general assignment for the benefit of creditors, (vi) become unable, admit in writing its inability or fail generally to pay its debts as they become due or (vii) take corporate action for the purpose of effecting any of the foregoing;

(h) an involuntary proceeding shall be commenced or an involuntary petition shall be filed in a court of competent jurisdiction seeking (i) relief in respect of the Borrower or any Material Subsidiary, or of a substantial part of its property, under Title 11 of the United States Code or any other federal or state bankruptcy, insolvency or similar law now or hereafter in effect, (ii) the appointment of a receiver, trustee, custodian, sequestrator or similar official for the Borrower or such Material Subsidiary or for a substantial part of its property or (iii) the winding-up or liquidation of the Borrower or such Material Subsidiary; and such proceeding or petition shall continue undismissed for 60 days or an order or decree approving or ordering any of the foregoing shall continue unstayed and in effect for 30 days;

(i) a final judgment for the payment of money (which alone, or when aggregated with all other such unpaid judgments to the extent not fully covered by insurance from financially sound and reputable insurers against the Borrower and its Subsidiaries at such time, is for $10,000,000 or more) shall be rendered against the Borrower or any of the Subsidiaries and the same shall remain undischarged for a period of 60 days or any action is taken by the judgment creditor to levy thereon;

(j) a Reportable Event or Reportable Events, or a failure to make a required payment (within the meaning of Section 412(n)(1)(A) of the Code) shall have occurred with respect to any one or more Plans or Multiemployer Plans that reasonably could be expected to result in liability of the Borrower to the PBGC or to a Plan in an aggregate amount exceeding $10,000,000 and, within 30 days after the reporting of any such Reportable Event to the Administrative Agent or after the receipt by the Administrative Agent of the statement required pursuant to Section 5.07(b)(iii) hereof, the Administrative Agent shall have notified the Borrower in writing that (i) the Required Banks have made a determination that, on the basis of such Reportable Event or Reportable Events or the receipt of such statement, there are reasonable grounds (A) for the termination of such Plan or Plans by PBGC, (B) for the appointment by the appropriate United States District Court of a trustee to administer such Plan or Plans or (C) for the imposition of a Lien in favor of a Plan and (ii) as a result thereof an Event of Default exists hereunder; or a trustee shall be appointed by a United States District Court to administer any such Plan or Plans; or the PBGC shall institute proceedings to terminate any Plan or Plans;

(k) (i) the Borrower or any of its ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan or Multiple Employer Plan that it has incurred Withdrawal Liability to such Multiemployer Plan or Multiple Employer Plan, (ii) the Borrower or any such ERISA Affiliate does not have reasonable grounds for contesting such Withdrawal Liability and is not in fact contesting such Withdrawal Liability in a timely and appropriate manner, and (iii) the amount of such Withdrawal Liability specified in such notice, when aggregated with all other amounts required to be paid to Multiemployer Plans and Multiple Employer Plans in connection with Withdrawal Liabilities (determined as of the date or dates of such notification), exceeds $10,000,000 or requires payments exceeding $10,000,000 in any year;

(l) the Borrower or any of its ERISA Affiliates shall have been notified by the sponsor of a Multiemployer Plan or Multiple Employer Plan that such Multiemployer Plan or Multiple Employer Plan is in reorganization or is being terminated, within the meaning of Title IV of ERISA, if solely as a result of such reorganization or termination the aggregate annual contributions of the Borrower and its ERISA Affiliates to all Multiemployer Plans and Multiple Employer Plans that are then in reorganization or have been or are being terminated have been or will be increased over the amounts required to be contributed to such Multiemployer Plans for their most recently completed plan years by an amount exceeding $10,000,000 in any year; or

(m) (i) a person or two or more persons acting in concert (excluding the ESOP and any other person who holds 5% or more of the outstanding shares of voting stock of the Borrower as of the Closing Date) shall acquire beneficial ownership (within the meaning of Rule 13d-3 of the Securities and Exchange Commission under the Securities Exchange Act of 1934) of more than 40% of the outstanding shares of voting stock of the Borrower, or (ii) the individuals who, as of such Closing Date, are members of the Board of Directors of the Borrower (the "Incumbent Board") shall cease to constitute at least a majority of the Board of Directors of the Borrower; provided, however, that if the election, or nomination for election of any new director was approved by a vote of at least a majority of the Incumbent Board or any nominating committee thereof, such new director shall, for purposes hereof, be considered as a member of the Incumbent Board;

then, and in every such event and at any time thereafter during the continuance of such event, the Administrative Agent may (unless, in the case of each Event of Default other than that specified in paragraph (b) above, the Required Banks shall have waived such Event of Default in writing, and, in the case of an Event of Default specified in paragraph (b) above, each of the Banks shall have waived such Event of Default in writing), and, upon direction of the Required Banks, will by written notice to the Borrower, take any of the following actions, at the same or different times: (i) terminate the Commitments and (ii) declare the Notes to be forthwith due and payable, whereupon the Notes and all other fees and amounts owing hereunder shall become forthwith due and payable, both as to principal and interest, without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Notes to the contrary notwithstanding. Notwithstanding the foregoing, if an Event of Default specified in paragraph (g) or (h) above occurs with respect to the Borrower or a Guarantor, the Notes shall become immediately due and payable, both as to principal and interest, without any action by the Administrative Agent and without presentment, demand, protest or any other notice of any kind, all of which are hereby expressly waived, anything contained herein or in the Notes to the contrary notwithstanding.

ARTICLE VIII
GUARANTY

SECTION 8.01. Guaranty. (a) Each Guarantor hereby, jointly and severally, unconditionally and irrevocably guaranties to the Banks and the Administrative Agent the due and punctual payment by and performance of the Obligations (including interest accruing on and after the filing of any petition in bankruptcy or reorganization of the applicable obligor whether or not post-filing interest is allowed in such proceeding) by the Borrower.

(b) Each Guarantor waives notice of acceptance of this guaranty and also waives presentation to, demand of payment from and protest to the Borrower of any of the Obligations, as well as notice of protest for nonpayment and all other formalities. The obligations of each Guarantor hereunder shall not be affected by (i) the failure of the Administrative Agent or the Banks to assert any claim or demand or to enforce any right or remedy against the Borrower under this Agreement or otherwise; (ii) any extension or renewal of any of the Obligations; (iii) any rescission, waiver, amendment or modification of any of the terms or provisions of this Agreement or any other agreement or instrument; (iv) the taking or release of any security held by the Banks or the Administrative Agent for the performance of any of the Obligations; (v) the failure of the Administrative Agent or the Banks to exercise any right or remedy against the Borrower or any other guarantor of the Obligations; (vi) any stay in bankruptcy or insolvency proceedings of the Borrower or any other Person; or (vii) the release or substitution of any other Guarantor.

(c) Each Guarantor agrees that this guaranty constitutes a guaranty of payment when due and not of collection and waives any right to require that any resort be had by the Banks or the Administrative Agent to any security held for payment of the Obligations or to any balance of any deposit account or credit on the books of the Banks or the Administrative Agent in favor of the Borrower or any other person.

SECTION 8.02. No Impairment of Guaranty. The obligations of each Guarantor hereunder shall not be subject to any reduction, limitation, impairment or termination for any reason, including any claim of waiver, release, surrender, alteration or compromise, and shall not be subject to any defense, setoff, counterclaim, recoupment or termination whatsoever by reason of the invalidity, illegality or unenforceability of the Obligations or otherwise. Without limiting the generality of the foregoing, the obligations of each Guarantor hereunder shall not be discharged or impaired or otherwise affected by the failure of the Banks or the Administrative Agent to assert any claim or demand or to enforce any remedy under this Agreement or any other agreement or instrument, by any waiver or modification of any thereof by the Banks or the Administrative Agent, by any default, failure or delay, willful or otherwise, in the performance of the Obligations or by any other act or omission or delay to do any other act which might in any manner or to any extent vary the risk of any Guarantor or which would otherwise operate as a discharge of a guarantor as a matter of law.

SECTION 8.03. Continuation and Reinstatement, etc. Each Guarantor further agrees that this guaranty shall continue to be effective or be reinstated, as the case may be, if at any time any payment on any Obligation is rescinded or must otherwise be restored by the Banks upon the bankruptcy or reorganization of the Borrower or otherwise.

SECTION 8.04. Payment, etc. (a) In furtherance of the foregoing and not in limitation of any other right which the Banks or the Administrative Agent may have at law or in equity against any Guarantor by virtue hereof, upon the failure of the Borrower to pay or perform any Obligation when and as the same shall become due, whether at maturity, by acceleration, after notice of prepayment or otherwise, each Guarantor hereby promises to and will, upon receipt of written demand by the Banks or the Administrative Agent, forthwith pay, or cause to be paid, in cash, to the Administrative Agent, an amount equal to the sum of (i) the unpaid principal amount of such Obligations, (ii) accrued and unpaid interest on such Obligations and (iii) all other unpaid Obligations of the Borrower to the Administrative Agent and the Banks.

(b) Each Guarantor agrees that to the fullest extent permitted by applicable law, all rights against the Borrower arising as a result of any payment by any Guarantor under this guaranty by way of right of subrogation or otherwise shall in all respects be junior and subordinate in right of payment to the prior indefeasible payment in full of all the Obligations to the Administrative Agent for the benefit of the Banks. If after the Borrower has failed to pay any Obligation when due, any amount shall be paid to any Guarantor for the account of the Borrower, such amount shall be held in trust for the benefit of the Administrative Agent and shall forthwith be paid to the Administrative Agent on behalf of the Banks to be credited and applied to the Obligations when due and payable.

(c) Each Guarantor waives notice of and hereby consents to any agreements or arrangements whatsoever by the Banks or the Administrative Agent with the Borrower, or anyone else, including agreements and arrangements for payment, extension, subordination, composition, arrangement, discharge or release of the whole or any part of the Obligations, or for the discharge or surrender of any or all security, or for compromise, whether by way of acceptance of part payment or otherwise, and the same shall in no way impair such Guarantor's liability hereunder. Nothing shall discharge or satisfy the liability of any Guarantor hereunder except the full performance and payment of the Obligations.

SECTION 8.05. Benefit to Guarantors. Each Guarantor acknowledges that it has realized a direct economic benefit as a result of the refinancing of the loans outstanding under that 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement dated as of October 23, 1997, as amended, modified, and supplemented through the date hereof, among the Borrower, the guarantors and banks, party thereto, and The Chase Manhattan Bank, as Agent, and ABN AMRO Bank N.V., as Documentation Agent, and the availability to it of the proceeds of Loans that have been or may in the future be made hereunder.

SECTION 8.06. Modification to Conform to Law.

(a) Without limiting the generality of Section 10.08, to the extent that applicable law (including applicable laws pertaining to fraudulent or preferential transfer) otherwise would render the full amount of the Guarantor's obligations hereunder invalid, voidable, or unenforceable on account of the amount of a Guarantor's aggregate liability under this guaranty, then, notwithstanding any other provision of this guaranty to the contrary, the aggregate amount of such liability shall, without any further action by the Administrative Agent or any of the Banks or such Guarantor or any other Person, be automatically limited and reduced to the highest amount which is valid and enforceable as determined in such action or proceeding, which (without limiting the generality of the foregoing) may be an amount which is equal to the greater of:

(i) the fair consideration actually received by such Guarantor under the terms and as a result of the Fundamental Documents (including the Contribution Agreement) and the value of the benefits derived by such Guarantor from credit granted to its Affiliates and the synergistic benefits of such affiliation and including distributions, commitments, and advances made to or for the benefit of such Guarantor with the proceeds of any credit extended under the Fundamental Documents, or

(ii) the excess of (1) the amount of the fair value of the assets of such Guarantor (as of the date of this guaranty or other date relevant to the applicable law which would render the full amount of the Guarantor's obligations hereunder invalid, voidable, or unenforceable) determined in accordance with applicable federal and state laws governing determinations of the insolvency of debtors, over (2) the amount of all liabilities of such Guarantor as of such date, also as determined on the basis of applicable federal and state laws governing the insolvency of debtors.

(b) Notwithstanding anything to the contrary in this Article VIII, the guaranty hereby given in this Agreement shall be presumptively valid and enforceable to its fullest extent in accordance with its terms, as if this Section 8.06 were not a part of this guaranty, and in any related litigation the burden of proof shall be on the party asserting the invalidity, voidability, or unenforceability of any provision of this Article VIII or asserting any limitation on any Guarantor's obligations hereunder as to each element of such assertion.

SECTION 8.07. Additional Guarantors. At any time after the initial execution and delivery of this Agreement to the Administrative Agent and the Banks, additional Persons may become parties to this guaranty and thereby acquire the duties and rights of being Guarantors hereunder by executing and delivering to the Administrative Agent and the Banks a Joinder and Assumption Agreement, substantially in the form of Exhibit G hereto. No notice of the addition of any Guarantor shall be required to be given to any pre-existing Guarantor and each Guarantor hereby consents thereto and affirms that its obligations shall continue hereunder undiminished.

ARTICLE IX
ADMINISTRATIVE AGENT

SECTION 9.01. Appointment of Administrative Agent. In order to expedite the various transactions contemplated by this Agreement, ABN AMRO Bank N.V. is hereby appointed to act as Administrative Agent on behalf of the Banks. Each Bank irrevocably authorizes and directs the Administrative Agent to take such action on behalf of such Bank under the terms and provisions of this Agreement and to exercise such powers hereunder as are specifically delegated to or required of the Administrative Agent by the terms and provisions hereof, together with such powers as are reasonably incidental thereto. Without limiting the generality of the foregoing, each of the Banks hereby agrees to the provisions of that draft Intercreditor Agreement, substantially in the form of Exhibit F, and authorizes the Administrative Agent to execute and deliver an Intercreditor Agreement substantially in the form of Exhibit F for and on behalf of each of the Banks.

SECTION 9.02. Exculpation. Neither the Administrative Agent nor the Documentation Agent, nor any of their directors, officers, employees or agents shall be liable as such for any action taken or omitted by any of them hereunder except for its or his own gross negligence or willful misconduct, or be responsible for any statement, warranty or representation herein, or be required to ascertain or to make any inquiry concerning the performance or observance by the Borrower or the Guarantors of any of the terms, conditions, covenants or agreements of this Agreement. Neither the Administrative Agent nor the Documentation Agent shall be responsible to the Banks for the due execution, genuineness, validity, enforceability or effectiveness of this Agreement or any other Fundamental Document, the Notes or any other instrument to which reference is made herein. The Administrative Agent may deem and treat the payee of any Note as the owner thereof for all purposes hereof until written notice of transfer shall have been filed with it. The Administrative Agent shall promptly notify the Borrower of any such notice received by such Administrative Agent. The Administrative Agent shall in all cases be fully protected in acting, or refraining from acting, in accordance with written instructions signed by the Banks, and, except as otherwise specifically provided herein, such instructions and any action taken or failure to act pursuant thereto shall be binding on all of the Banks. The Administrative Agent shall, in the absence of knowledge to the contrary, be entitled to rely on any paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Neither the Administrative Agent nor any of its directors, officers, employees or agents shall have any responsibility to the Borrower on account of the failure or delay in performance or breach by any Bank of any of its obligations hereunder or to any Bank on account of the failure or delay in performance or breach by any other Bank, or the Borrower, of any of their respective obligations hereunder or in connection herewith.

SECTION 9.03. Consultation with Counsel. The Administrative Agent may execute any and all duties hereunder by or through agents or employees and shall be entitled to advice of legal counsel selected by it with respect to all matters arising hereunder and shall not be liable for any action taken or suffered in good faith by it in accordance with the advice of such counsel.

SECTION 9.04. The Administrative Agent, Individually. With respect to the Loans made by it and the Notes issued to it, the Administrative Agent in its individual capacity and not as Administrative Agent shall have the same rights and powers hereunder and under any other agreement as any other Bank and may exercise the same as though it were not the Administrative Agent, and the Administrative Agent and its affiliates may accept deposits from, lend money to and generally engage in any kind of business with the Borrower or any of the Subsidiaries or other Affiliate of the Borrower or any such Subsidiary as if it were not the Administrative Agent.

SECTION 9.05. Reimbursement and Indemnification. Each Bank agrees (i) to reimburse the Administrative Agent in the amount of such Bank's proportionate share of any expenses incurred for the benefit of the Banks, including counsel fees and compensation of agents and employees paid for services rendered on behalf of the Banks, not reimbursed by the Borrower, and (ii) to indemnify and hold harmless the Administrative Agent and any of its directors, officers, employees or agents, on demand, in the amount of its proportionate share, from and against any and all liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements of any kind or nature whatsoever which may be imposed on, incurred by or asserted against it or any of them in any way relating to or arising out of this Agreement, or under the other Fundamental Documents or any action taken or omitted by it or any of them under this Agreement or under the other Fundamental Documents, to the extent not reimbursed by the Borrower; provided, however, that no Bank shall be liable for any portion of such liabilities, obligations, losses, damages, penalties, actions, judgments, suits, costs, expenses or disbursements resulting from the gross negligence or willful misconduct of the Administrative Agent or any of its directors, officers, employees or agents.

SECTION 9.06. Resignation. Subject to the appointment and acceptance of a successor Administrative Agent as provided below, the Administrative Agent may resign at any time by notifying the Banks and the Borrower. Upon any such resignation, and with the consent of the Borrower (which shall be deemed to be granted if an Event of Default shall have occurred and be continuing), the Required Banks shall have the right to appoint a successor Administrative Agent which is a Bank hereunder. If no successor Administrative Agent shall have been so appointed by such Banks and shall have accepted such appointment within 30 days after the retiring Administrative Agent gives notice of its resignation, then the retiring Administrative Agent may, on behalf of the Banks, appoint a successor Administrative Agent having a combined capital and surplus of at least $300,000,000 and which is a Bank hereunder. Upon the acceptance of any appointment as Administrative Agent hereunder by a successor bank, such successor shall thereupon succeed to and become vested with all the rights, powers, privileges and duties of the retiring Administrative Agent and the retiring Administrative Agent shall be discharged from its duties and obligations hereunder and under any other documents executed in connection herewith. After the Administrative Agent's resignation hereunder, the provisions of this Article IX shall continue in effect for its benefit in respect of any actions taken or omitted to be taken by it while it was acting as Administrative Agent. At all times, any Administrative Agent hereunder shall be a Bank hereunder.

ARTICLE X
MISCELLANEOUS

SECTION 10.01. Notices. Notices and other communications provided for herein shall be in writing and shall be delivered or mailed (or in the case of telegraphic communication, if by telegram, delivered to the telegraph company and, if by telex, telecopy, graphic scanning or other telegraphic or electronic communications equipment, delivered by such equipment) addressed at its address or number set forth on Schedule 2.01. All notices and other communications given to any party hereto in accordance with the provisions of this Agreement shall be effective when received.

SECTION 10.02. No Waivers; Amendments. No failure or delay of the Administrative Agent or any Bank in exercising any power or right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right or power, or any abandonment or discontinuance of steps to enforce such a right or power, preclude any other or further exercise thereof or the exercise of any other right or power. The rights and remedies of the Administrative Agent and the Banks hereunder are cumulative and not exclusive of any rights or remedies which the Administrative Agent or any such Bank would otherwise have. No notice or demand on the Borrower shall entitle the Borrower to any other or further notice or demand in similar or other circumstances; provided that the foregoing shall not limit the right of the Borrower to any notice expressly provided for herein. No modification, amendment or waiver of any provision of this Agreement or any of the Notes nor consent to any departure of the Borrower therefrom shall in any event be effective unless the same shall be in writing and signed by the Required Banks and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. Any such modification, amendment, waiver or consent, so given, shall be effective to bind all the Banks; provided that, no such modification, amendment, waiver or consent may be made which will (i) reduce or increase the amount or alter the term of any Commitment of any Bank hereunder without the written consent of such Bank; (ii) extend the time for payment of principal of or interest on any Note, or reduce the principal amount or decrease the rate of interest on any Loan or change the method of calculation provided for herein for determining the rate of interest on any Note, or vary the time for payment or reduce the amount of fees payable to any Bank hereunder, or release any Guarantor or any collateral hereunder, or change the definition of Required Banks set forth in Article I, or amend this Section 10.02 or Section 2.18, without the written consent of all the Banks; or (iii) give any Note preference over any other Note in payment of principal or interest.

SECTION 10.03. Applicable Law; Submission to Jurisdiction; Service of Process; Waiver of Jury Trial. (a) This Agreement and the Notes shall be construed in accordance with and governed by the laws of the State of New York applicable to agreements made and to be performed wholly in the State of New York.

(b) Each of the Borrower and each Guarantor hereby irrevocably submits itself to the jurisdiction of the Supreme Court of the State of New York, New York County, and to the jurisdiction of the United States District Court for the Southern District of New York, for the purpose of any suit, action or other proceeding arising out of or relating to this Agreement, any other Fundamental Document or any related document or any of the transactions contemplated hereby or thereby, and hereby waives, and agrees not to

assert, by way of motion, as a defense, or otherwise, in any suit, action or proceeding, any claim that it is not personally subject to the jurisdiction of the above-named courts for any reason whatsoever, that such suit, action or proceeding is brought in an inconvenient forum or that the venue of such suit, action or proceeding is improper or that this Agreement or any other Fundamental Documents or, to the full extent permitted by applicable law, any subject matter of any thereof may not be enforced in or by such courts. Neither this paragraph (b) nor paragraph (c) below shall restrict the Administrative Agent or any Bank from bringing suit or instituting other judicial proceedings against the Borrower or any Guarantor or any of their assets in any court or jurisdiction not referred to herein or therein.

(c) Each party to this Agreement irrevocably consents to service of process in the manner provided for notice in Section 10.01. Nothing in this Agreement will affect the right of any party to this Agreement to serve process in any other manner permitted by law.

(d) EXCEPT AS PROHIBITED BY LAW, EACH PARTY HERETO HEREBY WAIVES ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN RESPECT OF ANY LITIGATION DIRECTLY OR INDIRECTLY ARISING OUT OF, UNDER OR IN CONNECTION WITH THIS AGREEMENT, ANY OTHER FUNDAMENTAL DOCUMENT AND ANY OF THE OTHER DOCUMENTS OR TRANSACTIONS CONTEMPLATED HEREIN OR THEREIN.

(e) Except as prohibited by law, each party hereto hereby waives any right it may have to claim or recover in any litigation referred to in paragraph (d) of this Section 10.03 any special, exemplary, punitive, indirect (including loss of profits) or consequential damages or any damages other than, or in addition to, actual damages; provided that if a party hereto shall obtain a final, nonappealable judgment that another party shall have intentionally and knowingly breached its obligations under this Agreement with an intention of injuring the claimant party, the claimant party may then seek consequential damages from such breaching party for its losses suffered as a result of such intentional breach.

(f) Each party hereto (i) certifies that neither any representative, agent nor attorney of any Bank has represented, expressly or otherwise, that such Bank would not, in the event of litigation, seek to enforce the foregoing waivers and (ii) acknowledges that it has been induced to enter into this Agreement by, among other things, the mutual waivers and certifications herein.

SECTION 10.04. Expenses; Documentary Taxes. The Borrower agrees to pay all reasonable out-of-pocket expenses (i) incurred by the Administrative Agent in connection with the preparation, execution and delivery, waiver or modification and administration of this Agreement, any other Fundamental Document or any related documents or in connection with the performance of due diligence by the Administrative Agent or the syndication of the Loans (whether or not the transactions hereby contemplated shall be consummated), and (ii) incurred by the Administrative Agent in connection with the making of the Loans hereunder, or incurred by the Administrative Agent or the Banks in connection with the enforcement of this Agreement or the Loans made or the Notes issued hereunder or any other Fundamental Documents and with respect to any action which may be instituted by any person against the Banks or the Administrative Agent in respect of the foregoing (but not with respect to any act of gross negligence or willful misconduct of the Administrative Agent or any Bank), or as a result of any transaction, action or nonaction arising from the foregoing, including, but not

limited to, the fees and disbursements of Buchanan Ingersoll, PC, counsel to the Administrative Agent. The Borrower agrees that it shall indemnify the Banks and the Administrative Agent from and hold them harmless against any documentary taxes, assessments or charges made by any Governmental Authority by reason of the execution and delivery of this Agreement, the Fundamental Documents or any of the Notes. The obligations of the Borrower under this Section 10.04 shall survive the termination of this Agreement and the Commitments and/or the payment of the Notes.

SECTION 10.05. Indemnity. Further, by the execution hereof, the Borrower agrees to indemnify and hold harmless the Administrative Agent, the Banks, and each of their respective affiliates and their respective directors, officers, employees and agents (each an "Indemnified Party") from and against any and all expenses, including reasonable fees and disbursements of counsel, losses, claims, damages and liabilities arising out of any claim, litigation, investigation or proceeding (whether or not the Administrative Agent or any Bank is a party thereto) relating to the financing contemplated hereby and transactions related thereto, except that Borrower shall not be required by this Section 10.05 to indemnify or hold harmless an Indemnified Party to the extent that the matters for which such Indemnified Party claims indemnification under this Section 10.05 are the result of its gross negligence or willful misconduct. The obligations of the Borrower under this Section 10.05 shall survive the termination of this Agreement and the Commitments and/or payments of the Loans.

SECTION 10.06. Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of the Borrower, the Guarantors, the Administrative Agent, the Documentation Agent and the Banks and their respective successors and assigns. Neither the Borrower nor the Guarantors may assign or transfer any of their rights or obligations hereunder without the written consent of the Required Banks.

SECTION 10.07. Survival of Agreements, Representations and Warranties, etc. All warranties, representations and covenants made by the Borrower or the Guarantors herein or in any certificate or other instrument delivered by it or on its behalf in connection with this Agreement shall be considered to have been relied upon by the Banks and shall survive the making of the Loans herein contemplated and the issuance and delivery to the Banks of the Notes regardless of any investigation made by the Banks or on their behalf and shall continue in full force and effect so long as any amount due or to become due hereunder is outstanding and unpaid and so long as the Commitments have not been terminated. All statements in any such certificate or other instrument shall constitute representations and warranties by the Borrower hereunder.

SECTION 10.08. Severability. In case any one or more of the provisions contained in this Agreement or the Notes should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein and therein shall not in any way be affected or impaired thereby. The parties shall endeavor in good faith negotiations to replace the invalid, illegal or unenforceable provisions with valid provisions the economic effect of which comes as close as possible to that of the invalid, illegal or unenforceable provisions.

SECTION 10.09. Cover Page and Section Headings. The cover page and section headings used herein are for convenience of reference only, are not part of this Agreement and are not to affect the construction of or be taken into consideration in interpreting this Agreement.

SECTION 10.10. Counterparts, Integration, Telecopy Signatures. This Agreement may be signed in any number of counterparts with the effect as if the signatures thereto were upon the same instrument. This Agreement shall become effective when copies hereof which, when taken together, bear the signatures of each of the parties hereto shall have been received by the Administrative Agent. This Agreement, the other Fundamental Documents, and all other documents, instruments, and agreements referred to herein or therein constitute the entire agreement of the parties hereto relating to the subject matter hereof and supersede any and all previous agreements and understandings, oral or written, relating to the subject matter hereof. Delivery of an executed counterpart of a signature page of this Agreement or of any other Fundamental Document by telecopy transmission shall constitute effective and binding execution and delivery of this Agreement or such other Fundamental Document, as the case may be.

SECTION 10.11. Confidentiality. Each Bank agrees (which agreement shall survive the termination of this Agreement) that financial information, information from the Borrower's books and records, information concerning the Borrower's trade secrets and patents and any other information received from the Borrower hereunder and designated in writing as confidential shall be treated as confidential by such Bank, and each Bank agrees to use its best efforts to ensure that such information is not published, disclosed or otherwise divulged to anyone other than employees or officers of such Bank and its counsel and agents with a need to know such information and who have been informed of the confidentiality hereunder (as reasonably determined by such Bank); provided that it is understood that the foregoing shall not apply to:

(i) disclosure made with the prior written authorization of the Borrower;

(ii) disclosure of information (other than that received from the Borrower prior to or under this Agreement) already known by, or in the possession of such Bank without restrictions on the disclosure thereof at the time such information is supplied to such Bank by the Borrower hereunder;

(iii) disclosure of information which is required by applicable law or to a governmental agency having supervisory authority over any party hereto;

(iv) disclosure of information in connection with any suit, action or proceeding in connection with the enforcement of rights hereunder or in connection with the transactions contemplated hereby;

(v) disclosure to any bank (or other financial institution) which may acquire a participation or other interest in the Loans or rights of any Bank hereunder; provided that such bank (or other financial institution) agrees to maintain any such information to be received in accordance with the provisions of this Section 10.11;

(vi) disclosure by any party hereto to any other party hereto or their counsel or agents with a need to know such information (as reasonably determined by such party);

(vii) disclosure by any party hereto to any entity, or to any subsidiary of such an entity, which owns, directly or indirectly, more than 50% of the voting stock of such party, or to any subsidiary of such an entity; or

(viii) disclosure of information that prior to such disclosure has been public knowledge through no violation of this Agreement.

SECTION 10.12. Conversion of Currencies. (a) If, for the purpose of obtaining judgment in any court, it is necessary to convert a sum owing hereunder in one currency into another currency, each party hereto agrees, to the fullest extent that it may effectively do so, that the rate of exchange used shall be that at which in accordance with normal banking procedures in the relevant jurisdiction the first currency could be purchased with such other currency on the Business Day immediately preceding the day on which final judgment is given.

(b) The obligations of each party hereto in respect of any sum due to any other party hereto or any holder of the obligations owing hereunder (the "Applicable Creditor") shall, notwithstanding any judgment in a currency (the "Judgment Currency") other than the currency in which such sum is stated to be due hereunder (the "Agreement Currency"), be discharged only to the extent that, on the Business Day following receipt by the Applicable Creditor of any sum adjudged to be so due in the Judgment Currency, the Applicable Creditor may in accordance with normal banking procedures in the relevant jurisdiction purchase the Agreement Currency with the Judgment Currency; if the amount of the Agreement Currency so purchased is less than the sum originally due to the Applicable Creditor in the Agreement Currency, such party agrees, as a separate obligation and notwithstanding any such judgment, to indemnify the Applicable Creditor against such loss. The obligations of the parties contained in this Section 10.12 shall survive the termination of this Agreement and the payment of all other amounts owing hereunder.

SECTION 10.13. European Monetary Union. (a) If, as a result of the implementation of European monetary union, (i) any currency ceases to be lawful currency of the nation issuing the same and is replaced by a European common currency, or (ii) any currency and a European common currency are at the same time recognized by the central bank or comparable authority of the nation issuing such currency as lawful currency of such nation and the Administrative Agent or the Required Banks shall so request in a notice delivered to the Borrower, then any amount payable hereunder by any party hereto in such currency shall instead be payable in the European common currency and the amount so payable shall be determined by translating the amount payable in such currency to such European common currency at the exchange rate recognized by the European Central Bank for the purpose of implementing European monetary union. Prior to the occurrence of the event or events described in clause (i) or (ii) of the preceding sentence, each amount payable hereunder in any currency will continue to be payable only in that currency. The Borrower agrees, at the request of the Required Banks, at the time of or at any time following the implementation of European monetary union, to enter into an agreement amending this Agreement in such manner as the Required Banks shall reasonably request in order to reflect the implementation of such monetary union and to place the parties hereto in the position they would have been in had such monetary union not been implemented.

SECTION 10.14. Co-Documentation and Co-Syndication Agents. The Co-Syndication Agents and the Co-Documentation Agents do not assume any responsibility or obligation under this Agreement or any of the other Fundamental Documents or any duties as agents for the Banks. The titles "Co-Syndication Agent" and "Co-Documentation Agent" imply no fiduciary or similar responsibility on the part of either of the Co-Syndication Agents or either of the Co-Documentation Agents to any Person and the use of such titles does not impose upon the Co-Syndication Agents or the Co-Documentation Agents any duties or obligations under this Agreement or any of the other Fundamental Documents.

[THIS AGREEMENT CONTINUES ON THE NEXT PAGE]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed by their respective authorized officers as of the day and year first above written.

EXHIBIT 4.4

DENTSPLY International Inc.

JPY 6,237,500,000
1.39% Guaranteed Senior Notes due December 28, 2005

Note Purchase Agreement

Dated as of December 28, 2001

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DENTSPLY International Inc.
570 West College Avenue
York, Pennsylvania 17405-0872

1.39% Guaranteed Senior Notes due December 28, 2005

December 28, 2001

To Each of the Purchasers Listed In
The Attached Schedule A:

Ladies and Gentlemen:

DENTSPLY International Inc., a Delaware corporation (the "Company"), agrees with you as follows:

Section 1. Authorization of Notes; Guarantees.

(a) The Company will authorize the issue and sale of JPY 6,237,500,000 aggregate principal amount of its 1.39% Guaranteed Senior Notes due December 28, 2005 (the "Notes," such term to include any such notes issued in substitution therefor pursuant to Section 13 of this Agreement or the Other Agreements (as hereinafter defined)). The Notes shall be substantially in the form set out in Exhibit 1(a), with such changes therefrom, if any, as may be approved by you and the Company. Certain capitalized terms used in this Agreement are defined in Schedule B; references to a "Schedule" or an "Exhibit" are, unless otherwise specified, to a Schedule or an Exhibit attached to this Agreement.

(b) The payment of the Notes and the performance by the Company of its obligations under this Agreement and the Other Agreements (as defined below) will be guaranteed by certain Subsidiaries of the Company (each a "Subsidiary Guarantor" and, collectively, the "Subsidiary Guarantors"), pursuant to separate Guarantee Agreements of each Subsidiary Guarantor (each a "Guarantee Agreement" and, collectively, the "Guarantee Agreements"), each substantially in the form of Exhibit 1(b) hereto.

Section 2. Sale and Purchase of Notes.

Subject to the terms and conditions of this Agreement, the Company will issue and sell to you and you will purchase from the Company, at the Closing provided for in Section 3, Notes in the principal amount specified opposite your name in Schedule A at the purchase price of 100% of the principal amount thereof. Contemporaneously with entering into this Agreement, the Company is entering into separate Note Purchase Agreements (the "Other Agreements") identical with this Agreement with each of the other purchasers named in Schedule A (the "Other Purchasers"), providing for the sale at such Closing to each of the Other Purchasers of Notes in the principal amount specified opposite its name in Schedule A. Your obligation hereunder and the obligations of the Other Purchasers under the Other Agreements are several and not joint obligations and you shall have no obligation under any Other Agreement and no liability to any Person for the performance or non-performance by any Other Purchaser thereunder.

Section 3. Closing.

The sale and purchase of the Notes to be purchased by you and the Other Purchasers shall occur at the offices of Chapman and Cutler, 111 West Monroe Street, Chicago, Illinois 60603, at a closing (the "Closing") on December 28, 2001. At the Closing, the Company will deliver to you the Notes to be purchased by you in the form of a single Note (or such greater number of Notes in denominations of at least JPY 125,000,000 as you may request) dated the date of the Closing and registered in your name (or in the name of your nominee), against delivery by you to the Company or its order of immediately available funds in the amount of the purchase price therefor by wire transfer of immediately available funds to ABN AMRO Bank, Tokyo, Swift Code ABNAJPJT, Account No. 17.23.499, for further credit to ABN AMRO Chicago Treasury, Swift Code ABNAUS4CFXO, Ref: Dentsply, JPY, Ref.: DENTSPLY International. If at the Closing the Company shall fail to tender such Notes to you as provided above in this Section 3, or any of the conditions specified in Section 4 shall not have been fulfilled to your satisfaction, you shall, at your election, be relieved of all further obligations under this Agreement, without thereby waiving any rights you may have by reason of such failure or such non-fulfillment.

Section 4. Conditions to Closing.

Your obligation to purchase and pay for the Notes to be sold to you at the Closing is subject to the fulfillment to your satisfaction, prior to or at the Closing, of the following conditions:

Section 4.1. Representations and Warranties. The representations and warranties of the Company in this Agreement shall be correct when made and at the time of the Closing.

Section 4.2. Performance; No Default. The Company shall have performed and complied with all agreements and conditions contained in this Agreement required to be performed or complied with by it prior to or at the Closing and after giving effect to the issue and sale of the Notes (and the application of the proceeds thereof as contemplated by Section 5.14) no Default or Event of Default shall have occurred and be continuing. Neither the Company nor any Subsidiary shall have entered into any transaction since the date of the Memorandum that would have been prohibited by Sections 10.1 or 10.2 had such Sections applied since such date.

Section 4.3. Compliance Certificates.

(a) Officer's Certificate. The Company shall have delivered to you an Officer's Certificate, dated the date of the Closing, certifying that the conditions specified in Sections 4.1, 4.2 and 4.9 have been fulfilled.

(b) Secretary's Certificate. The Company shall have delivered to you a certificate certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Notes and the Agreements. The Secretary or an Assistant Secretary of each Subsidiary Guarantor shall have delivered to you a certificate certifying as to the resolutions attached thereto and other corporate proceedings relating to the authorization, execution and delivery of the Guarantee Agreement to which it is a party.

Section 4.4. Opinions of Counsel. You shall have received opinions in form and substance satisfactory to you, dated the date of the Closing (a) from Brian Addison, Esq., General Counsel of the Company and each Subsidiary Guarantor, covering the matters set forth in Exhibit 4.4(a) and covering such other matters incident to the transactions contemplated hereby as you or your counsel may reasonably request (and the Company hereby instructs its counsel to deliver such opinion to you) and (b) from Chapman and Cutler, your special counsel in connection with such transactions, substantially in the form set forth in Exhibit 4.4(b) and covering such other matters incident to such transactions as you may reasonably request.

Section 4.5. Purchase Permitted by Applicable Law, Etc. On the date of the Closing, your purchase of Notes shall (a) be permitted by the laws and regulations of each jurisdiction to which you are subject, without recourse to provisions (such as Section 1405(a)(8) of the New York Insurance Law) permitting limited investments by insurance companies without restriction as to the character of the particular investment, (b) not violate any applicable law or regulation (including, without limitation, Regulation T, U or X of the Board of Governors of the Federal Reserve System) and (c) not subject you to any tax, penalty or liability under or pursuant to any applicable law or regulation, which law or regulation was not in effect on the date hereof. If requested by you, you shall have received an Officer's Certificate certifying as to such matters of fact as you may reasonably specify to enable you to determine whether such purchase is so permitted.

Section 4.6. Sale of Other Notes. Contemporaneously with the Closing, the Company shall sell to the Other Purchasers and the Other Purchasers shall purchase the Notes to be purchased by them at the Closing as specified in Schedule A.

Section 4.7. Payment of Special Counsel Fees. Without limiting the provisions of Section 15.1, the Company shall have paid on or before the Closing the reasonable fees, charges and disbursements of your special counsel referred to in Section 4.4(b) to the extent reflected in a statement of such counsel rendered to the Company at least one Business Day prior to the Closing.

Section 4.8. Private Placement Number. A Private Placement Number issued by Standard & Poor's CUSIP Service Bureau (in cooperation with the Securities Valuation Office of the National Association of Insurance Commissioners) shall have been obtained for the Notes.

Section 4.9. Changes in Corporate Structure. Except as specified in Schedule 4.9, the Company shall not have changed its jurisdiction of incorporation or been a party to any merger or consolidation and shall not have succeeded to all or any substantial part of the liabilities of any other entity, at any time following the date of the most recent financial statements referred to in Schedule 5.5.

Section 4.10. Subsidiary Guaranties. You shall have received certain Guarantee Agreements, duly executed and delivered by each Subsidiary listed in Schedule 4.10 and each such Guarantee Agreement shall be in full force and effect.

Section 4.11. Proceedings and Documents. All corporate and other proceedings in connection with the transactions contemplated by this Agreement and all documents and instruments incident to such transactions shall be satisfactory to you and your special counsel, and you and your special counsel shall have received all such counterpart originals or certified or other copies of such documents as you or they may reasonably request.

Section 5. Representations and Warranties of the Company.

The Company represents and warrants to you that:

Section 5.1. Organization; Power and Authority. The Company is a corporation duly organized, validly existing and in good standing under the laws of its jurisdiction of incorporation, and is duly qualified as a foreign corporation and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. The Company has the corporate power and authority to own or hold under lease the properties it purports to own or hold under lease, to transact the business it transacts and proposes to transact, to execute and deliver this Agreement and the Other Agreements and the Notes and to perform the provisions hereof and thereof.

Section 5.2. Authorization, Etc. This Agreement and the Other Agreements and the Notes have been duly authorized by all necessary corporate action on the part of the Company, and this Agreement constitutes, and upon execution and delivery thereof each Note will constitute, a legal, valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the enforcement of creditors' rights generally and (b) general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).

Section 5.3. Disclosure. The Company, through its agent, ABN AMRO Incorporated, has delivered to you and each Other Purchaser a copy of a Private Placement Memorandum, dated November 2001 (the "Memorandum"), relating to the transactions contemplated hereby. The Memorandum fairly describes, in all material respects, the general nature and, if applicable, properties of the business of the Company and its Subsidiaries. Except as disclosed in Schedule 5.3, this Agreement, the Memorandum, the documents, certificates or other writings identified in Schedule 5.3 and the financial statements listed in Schedule 5.5, taken as a whole, do not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made. Except as disclosed in the Memorandum or as expressly described in Schedule 5.3, or in one of the documents, certificates or other writings identified therein, or in the financial statements listed in Schedule 5.5, since December 31, 2000, there has been no change in the financial condition, operations, business or properties of the Company or any of its Subsidiaries except changes that individually or in the aggregate would not reasonably be expected to have a Material Adverse Effect. There is no fact known to the Company that would reasonably be expected to have a Material Adverse Effect that has not been set forth herein or in the Memorandum or in the other documents, certificates and other writings delivered to you by or on behalf of the Company for use in connection with the transactions contemplated hereby.

Section 5.4. Organization and Ownership of Shares of Subsidiaries. (a) Schedule 5.4 contains (except as noted therein) complete and correct lists of (i) the Company's Subsidiaries (other than those Subsidiaries which have no or an immaterial amount of assets), showing, as to each Subsidiary, the correct name thereof, the jurisdiction of its organization, and the percentage of shares of each class of its capital stock or similar equity interests outstanding owned by the Company and each other Subsidiary, (ii) the Company's Affiliates which it directly or indirectly controls, other than Subsidiaries, and (iii) the Company directors and senior officers.

(b) All of the outstanding shares of capital stock or similar equity interests of each Subsidiary shown in Schedule 5.4 as being owned by the Company and its Subsidiaries have been validly issued, are fully paid and nonassessable and are owned by the Company or another Subsidiary free and clear of any Lien (except as otherwise disclosed in Schedule 5.4).

(c) Each Subsidiary identified in Schedule 5.4 is a corporation or other legal entity duly organized, validly existing and in good standing under the laws of its jurisdiction of organization, and is duly qualified as a foreign corporation or other legal entity and is in good standing in each jurisdiction in which such qualification is required by law, other than those jurisdictions as to which the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Each such Subsidiary has the corporate or other power and authority to own or hold under lease the properties it purports to own or hold under lease and to transact the business it transacts and proposes to transact.

(d) No Subsidiary is a party to, or otherwise subject to any legal restriction or any agreement (other than this Agreement, the agreements listed on Schedule 5.15 and customary limitations imposed by statute) restricting the ability of such Subsidiary to pay dividends out of profits or make any other similar distributions of profits to the Company or any of its Subsidiaries that owns outstanding shares of capital stock or similar equity interests of such Subsidiary.

Section 5.5. Financial Statements. The Company has delivered to each Purchaser copies of the financial statements of the Company and its Subsidiaries listed on Schedule 5.5. All of said financial statements (including in each case the related schedules and notes) fairly present in all material respects the consolidated financial position of the Company and its Subsidiaries as of the respective dates specified in such financial statements and the consolidated results of their operations and cash flows for the respective periods so specified and have been prepared in accordance with GAAP consistently applied throughout the periods involved except as set forth in the notes thereto (subject, in the case of any interim financial statements, to normal year-end adjustments).

Section 5.6. Compliance with Laws, Other Instruments, Etc. The execution, delivery and performance by the Company of this Agreement and the Notes will not (a) contravene, result in any breach of, or constitute a default under, or result in the creation of any Lien in respect of any property of the Company or any Subsidiary under, any indenture, mortgage, deed of trust, loan, purchase or credit agreement, lease, corporate charter or by-laws, or any other Material agreement or instrument to which the Company or any Subsidiary is bound or by which the Company or any Subsidiary or any of their respective properties may be bound or affected, (b conflict with or result in a breach of any of the terms, conditions or provisions of any order, judgment, decree, or ruling of any court, arbitrator or Governmental Authority applicable to the Company or any Subsidiary or (c) violate any provision of any statute or other rule or regulation of any Governmental Authority applicable to the Company or any Subsidiary.

Section 5.7. Governmental Authorizations, Etc. No consent, approval or authorization of, or registration, filing or declaration with, any Governmental Authority is required in connection with the execution, delivery or performance by the Company of this Agreement or the Notes.

Section 5.8. Litigation; Observance of Statutes and Orders. (a) Except as disclosed in Schedule 5.8, there are no actions, suits or proceedings pending or, to the knowledge of the Company, threatened against or affecting the Company or any Subsidiary or any property of the Company or any Subsidiary in any court or before any arbitrator of any kind or before or by any Governmental Authority that, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

(b) Neither the Company nor any Subsidiary is in default under any term of any Material agreement or instrument to which it is a party or by which it is bound, or any order, judgment, decree or ruling of any court, arbitrator or Governmental Authority or is in violation of any applicable law, ordinance, rule or regulation (including, without limitation, Environmental Laws) of any Governmental Authority, which default or violation, individually or in the aggregate, would reasonably be expected to have a Material Adverse Effect.

Section 5.9. Taxes. The Company and its Subsidiaries have filed all income tax returns that are required to have been filed in any jurisdiction, and have paid all taxes shown to be due and payable on such returns and all other taxes and assessments payable by or levied upon them or their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent, except for any taxes and assessments (a) the amount of which is not individually or in the aggregate Material or (b) the amount, applicability or validity of which

is currently being contested in good faith by appropriate proceedings and with respect to which the Company or a Subsidiary, as the case may be, has established adequate reserves in accordance with GAAP. The Company knows of no basis for any other tax or assessment that would reasonably be expected to have a Material Adverse Effect. The charges, accruals and reserves on the books of the Company and its Subsidiaries in respect of federal, state or other taxes for all fiscal periods are adequate. The Federal income tax liabilities of the Company and its Subsidiaries have been determined by the Internal Revenue Service and paid for all fiscal years up to and including the fiscal year ended December 31, 1993.

Section 5.10. Title to Property; Leases. The Company and its Subsidiaries have good and sufficient title to their respective owned properties that individually or in the aggregate are Material, including all such properties reflected in the most recent audited balance sheet referred to in Section 5.5 or purported to have been acquired by the Company or any Subsidiary after said date (except as sold or otherwise disposed of in the ordinary course of business), in each case free and clear of Liens prohibited by this Agreement, except for those defects in title and Liens that, individually or in the aggregate, would not have a Material Adverse Effect. All leases that individually or in the aggregate are Material are valid and subsisting and are in full force and effect in all material respects.

Section 5.11. Licenses, Permits, Etc. Except as disclosed in Schedule 5.11,

(a) the Company and its Subsidiaries own or possess all licenses, permits, franchises, authorizations, patents, copyrights, service marks, trademarks and trade names, or rights thereto, that are Material, without known conflict with the rights of others, except for those conflicts that, individually or in the aggregate, would not have a Material Adverse Effect.

(b) to the best of the knowledge of the Company, no product of the Company infringes in any respect any license, permit, franchise, authorization, patent, copyright, service mark, trademark, trade name or other right owned by any other Person, except for any infringement(s) that, individually or in the aggregate would not have a Material Adverse Effect; and

(c) to the best of the knowledge of the Company, there is no Material violation by any Person of any right of the Company or any Subsidiary with respect to any patent, copyright, service mark, trademark, trade name or other right owned or used by the Company or any of its Subsidiaries that, individually or in the aggregate, would have a Material Adverse Effect.

Section 5.12. Compliance with ERISA. (a) The Company and each ERISA Affiliate have operated and administered each Plan in compliance with all applicable laws except for such instances of noncompliance as have not resulted in and would not reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any ERISA Affiliate has incurred any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans (as defined in Section 3 of ERISA), and no event, transaction or condition has occurred or exists that would reasonably be expected to result in the incurrence of any such liability by the Company or any ERISA Affiliate, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate, in either case pursuant to Title I or IV of ERISA or to such penalty or excise tax provisions or to Section 401(a)(29) or 412 of the Code, other than such liabilities or Liens as would not be individually or in the aggregate Material.

(b) The present value of the aggregate benefit liabilities under each of the Plans (other than Multiemployer Plans), determined as of the end of such Plan's most recently ended plan year on the basis of the actuarial assumptions specified for funding purposes in such Plan's most recent actuarial valuation report, did not exceed the aggregate current value of the assets of such Plan allocable to such benefit liabilities by more than $10,000,000 in the aggregate for all Plans. The term "benefit liabilities" has the meaning specified in section 4001 of ERISA and the terms "current value" and "present value" have the meaning specified in section 3 of ERISA.

(c) The Company and its ERISA Affiliates have not incurred withdrawal liabilities (and are not subject to contingent withdrawal liabilities) under section 4201 or 4204 of ERISA in respect of Multiemployer Plans that individually or in the aggregate are Material.

(d) The expected post-retirement benefit obligation (determined as of the last day of the Company's most recently ended fiscal year in accordance with Financial Accounting Standards Board Statement No. 106, without regard to liabilities attributable to continuation coverage mandated by Section 4980B of the Code) of the Company and its Subsidiaries is not Material.

(e) The execution and delivery of this Agreement and the issuance and sale of the Notes hereunder will not involve any transaction that is subject to the prohibitions of section 406 of ERISA or in connection with which a tax could be imposed pursuant to Section 4975(c)(1)(A)-(D) of the Code. The representation by the Company in the first sentence of this Section 5.12(e) is made in reliance upon and subject to the accuracy of your representation in Section 6.2 as to the sources of the funds to be used to pay the purchase price of the Notes to be purchased by you.

Section 5.13. Private Offering by the Company. Neither the Company nor anyone acting on its behalf has offered the Notes or any similar securities for sale to, or solicited any offer to buy any of the same from, or otherwise approached or negotiated in respect thereof with, any Person other than you, the Other Purchasers and not more than 25 other Institutional Investors, each of which has been offered the Notes at a private sale for investment. Neither the Company nor anyone acting on its behalf has taken, or will take, any action that would subject the issuance or sale of the Notes to the registration requirements of Section 5 of the Securities Act.

Section 5.14. Use of Proceeds; Margin Regulations. The Company will apply the proceeds of the sale of the Notes to repay indebtedness to banks and for other general corporate purposes. No part of the proceeds from the sale of the Notes hereunder will be used, directly or indirectly, for the purpose of buying or carrying any margin stock within the meaning of Regulation U of the Board of Governors of the Federal Reserve System (12 CFR 221), or for the purpose of buying or carrying or trading in any securities under such circumstances as to involve the Company in a violation of Regulation X of said Board (12 CFR 224) or to involve any broker or dealer in a violation of Regulation T of said Board (12 CFR 220). Margin stock does not constitute more than 5% of the value of the consolidated assets of the Company and its Subsidiaries and the Company does not have any present intention that margin stock will constitute more than 5% of the value of such assets. As used in this Section, the terms "margin stock" and "purpose of buying or carrying" shall have the meanings assigned to them in said Regulation U.

Section 5.15. Existing Debt; Future Liens. (a) Except as described therein, Schedule 5.15 sets forth a complete and correct list of all outstanding Debt of the Company and its Subsidiaries as of December 14, 2001, since which date there has been no Material change in the amounts, interest rates, sinking funds, installment payments or maturities of the Debt of the Company or its Subsidiaries. Neither the Company nor any Subsidiary is in default and no waiver of default is currently in effect, in the payment of any principal or interest on any Debt of the Company or such Subsidiary and no event or condition exists with respect to any Debt of the Company or any Subsidiary the outstanding principal amount of which exceeds $10,000,000 that would permit (or that with notice or the lapse of time, or both, would permit) one or more Persons to cause such Debt to become due and payable before its stated maturity or before its regularly scheduled dates of payment.

(b) Except as disclosed in Schedule 5.15, neither the Company nor any Subsidiary has agreed or consented to cause or permit in the future (upon the happening of a contingency or otherwise) any of its property, whether now owned or hereafter acquired, to be subject to a Lien not otherwise permitted by Section 10.6.

Section 5.16. Foreign Assets Control Regulations, Etc. Neither the sale of the Notes by the Company hereunder nor its use of the proceeds thereof will violate the Trading with the Enemy Act, as amended, or any of the foreign assets control regulations of the United States Treasury Department (31 CFR, Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto.

Section 5.17. Status under Certain Statutes. Neither the Company nor any Subsidiary is subject to regulation under the Investment Company Act of 1940, as amended, the Public Utility Holding Company Act of 1935, as amended, the ICC Termination Act of 1995, as amended, or the Federal Power Act, as amended.

Section 5.18. Pari Passu. All obligations and liabilities of the Company under this Agreement and the Other Agreements rank at least pari passu with all other unsecured present Debt of the Company, except to the extent of any mandatory preferences which may arise only as a result of any applicable bankruptcy, insolvency, liquidation or other similar laws of general application.

All obligations and liabilities of each Subsidiary Guarantor under the Guarantee Agreement to which it is a party will, upon issuance of the Notes rank at least pari passu without preference or priority with all other outstanding unsecured and unsubordinated present Debt of such Subsidiary Guarantor, except to the extent of any mandatory preferences which may arise only as a result of any applicable bankruptcy, insolvency, liquidation or other similar laws of general application.

Section 5.19. Anti-Terrorism Order. Neither the Company nor any of its Subsidiaries is, nor will become, a Person or entity described in Section 1 of the Anti-Terrorism Order or described in the Department of the Treasury Rule, and neither the Company nor any of its Subsidiaries engages in and will not engage in any dealings or transactions, or be otherwise associated, with any such Persons or entities.

Section 5.20. Environmental Matters. Neither the Company nor any Subsidiary has knowledge of any claim or has received any notice of any claim, and no proceeding has been instituted raising any claim against the Company or any of its Subsidiaries or any of their respective real properties now or formerly owned, leased or operated by any of them or other assets, alleging any damage to the environment or violation of any Environmental Laws, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect. Except as otherwise disclosed to you in writing,

(a) neither the Company nor any Subsidiary has knowledge of any facts which would give rise to any claim, public or private, of violation of Environmental Laws or damage to the environment emanating from, occurring on or in any way related to real properties now or formerly owned, leased or operated by any of them or to other assets or their use, except, in each case, such as would not reasonably be expected to result in a Material Adverse Effect;

(b) neither the Company nor any Subsidiary has stored any Hazardous Materials on real properties now or formerly owned, leased or operated by any of them and has not disposed of any Hazardous Materials in each case in a manner contrary to any Environmental Laws and in each case in a manner that would reasonably be expected to have a Material Adverse Effect; and

(c) all buildings on all real property now owned or leased and operated by the Company or any of its Subsidiaries are in compliance with applicable Environmental Laws, except where failure to comply would not reasonably be expected to result in a Material Adverse Effect.

Section 6. Representations of the Purchaser.

Section 6.1. Purchase for Investment. You represent that you are purchasing the Notes for your own account or for one or more separate accounts maintained by you or for the account of one or more pension or trust funds and not with a view to the distribution thereof, provided that the disposition of your or their property shall at all times be within your or their control. Without limiting the foregoing, you agree that you will not, directly or indirectly, resell the Notes purchased by you to a Person which you are aware is a Competitor. You understand that the Notes have not been registered under the Securities Act and may be resold only if registered pursuant to the provisions of the Securities Act or if an exemption from registration is available, except under circumstances where neither such registration nor such an exemption is required by law, and that the Company is not required to register the Notes.

Section 6.2. Source of Funds. You represent that at least one of the following statements is an accurate representation as to each source of funds (a "Source") to be used by you to pay the purchase price of the Notes to be purchased by you hereunder:

(a) the Source is an insurance company pooled separate account that is maintained solely in connection with your fixed contractual obligations under which the amounts payable, or credited, to an employee benefit plan and to any participant or beneficiary of an employee benefit plan (including any annuitant) are not affected in any manner by the investment performance of the separate account; or

(b) the Source is either (i) an insurance company pooled separate account, within the meaning of Prohibited Transaction Exemption ("PTE") 90-1 (issued January 29, 1990), or (ii) a bank collective investment fund, within the meaning of the PTE 91-38 (issued July 12, 1991), and, except as you have disclosed to the Company in writing pursuant to this paragraph (b), no employee benefit plan or group of employee benefit plans maintained by the same employer or employee organization beneficially owns more than 10% of all assets allocated to such pooled separate account or collective investment fund; or

(c) the Source constitutes assets of an "investment fund" (within the meaning of Part V of the QPAM Exemption) managed by a "qualified professional asset manager" or "QPAM" (within the meaning of Part V of the QPAM Exemption), no employee benefit plan's assets that are included in such investment fund, when combined with the assets of all other employee benefit plans established or maintained by the same employer or by an affiliate (within the meaning of Section V(c)(1) of the QPAM Exemption) of such employer or by the same employee organization and managed by such QPAM, exceed 20% of the total client assets managed by such QPAM on a discretionary basis, the conditions of Part I(c) and (g) of the QPAM Exemption are satisfied, neither the QPAM nor a Person controlling or controlled by the QPAM (applying the definition of "control" in Section V(e) of the QPAM Exemption) owns a 5% or more interest in the Company and (i) the identity of such QPAM and (ii) the names of all employee benefit plans whose assets are included in such investment fund have been disclosed to the Company in writing pursuant to this paragraph (c); or

(d) the Source is one or more employee benefit plans, or a separate account or trust fund comprised of one or more employee benefit plans, each of which has been identified to the Company in writing pursuant to this paragraph (d); or

(e) the Source is an "insurance company general account," as such term is defined in PTE 95-60 (issued July 12, 1995) and as of the date of this Agreement there is no employee benefit plan with respect to which the aggregate amount of such general account's reserves and liabilities for the contracts held by or on behalf of such employee benefit plan and all other employee benefit plans maintained by the same employer (and affiliates thereof as defined in Section V(a)(1) of PTE 95-60) or by the same employee organization (in each case determined in accordance with the provisions of PTE 95-60) exceeds 10% of the total reserves and liabilities of such general account (as determined under PTE 9560) (exclusive of separate account liabilities) plus surplus as set forth in the National Association of Insurance Commissioners Annual Statement filed with your state of domicile; or

(f) the Source is the assets of one or more employee benefit plans which are managed by an "in-house asset manager," as that term is defined in PTE 96-23 (issued April 10, 1996), the conditions of Section I(a), (b), (c), (g) and (h) of such exemption have been met with respect to the purchase of the Notes and the names of all employee benefit plans whose assets are included in the transaction have been disclosed to the Company in writing pursuant to this clause (f); or

(g) the Source does not include assets of an employee benefit plan, other than a plan exempt from the coverage of ERISA and Section 4975 of the Code.

If you or any subsequent transferee of the Notes notifies the Company in writing that you or such transferee are relying on any representation contained in paragraphs (b), (c), (d) or (f) above, the Company shall deliver on the date of Closing and on the date of any applicable transfer, a certificate, which shall either state that (i) it is neither a "party in interest" (as defined in Title I, section 3(14) of ERISA) nor a "disqualified person" (as defined in Section 4975(e)(2) of the Code), with respect to any plan identified pursuant to paragraphs (b), (d) or (f) above, or (ii) with respect to any plan identified pursuant to paragraph (c) above, neither it nor any "affiliate" (as defined in Section V(c) of the QPAM Exemption) has at such time, and during the immediately preceding one year, exercised the authority to appoint or terminate said QPAM as manager of any plan identified in writing pursuant to paragraph (c) above or to negotiate the terms of said QPAM's management agreement on behalf of any such identified plan. As used in this Section 6.2, the terms "employee benefit plan" and "separate account" shall have the respective meanings assigned to such terms in section 3 of ERISA, except that the term "employee benefit plan" shall also include any "plan" as defined in Section 4975(e)(1) of the Code.

Section 7. Information as to Company.

Section 7.1. Financial and Business Information. The Company shall deliver to each holder of Notes that is an Institutional Investor:

(a) Quarterly Statements - within 60 days after the end of each quarterly fiscal period in each fiscal year of the Company (other than the last quarterly fiscal period of each such fiscal year), duplicate copies of,

(i) a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarter, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such quarter and (in the case of the second and third quarters) for the portion of the fiscal year ending with such quarter,

setting forth in each case in comparative form the figures for the corresponding periods in the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP applicable to quarterly financial statements generally, and certified by a Senior Financial Officer as fairly presenting, in all material respects, the financial position of the companies being reported on and their results of operations and cash flows, subject to changes resulting from year-end adjustments, provided that delivery within the time period specified above of copies of the Company's Quarterly Report on Form 10-Q prepared in compliance with the requirements therefor and filed with the Securities and Exchange Commission shall be deemed to satisfy the requirements of this Section 7.1(a);

(b) Annual Statements - within 90 days after the end of each fiscal year of the Company, duplicate copies of,

(i) a consolidated balance sheet of the Company and its Subsidiaries, as at the end of such year, and

(ii) consolidated statements of income, changes in shareholders' equity and cash flows of the Company and its Subsidiaries, for such year,

setting forth in each case in comparative form the figures for the previous fiscal year, all in reasonable detail, prepared in accordance with GAAP, and accompanied by (A) an opinion thereon of independent certified public accountants of recognized national standing, which opinion shall state that such financial statements present fairly, in all material respects, the financial position of the companies being reported upon and their results of operations and cash flows and have been prepared in conformity with GAAP, and that the examination of such accountants in connection with such financial statements has been made in accordance with generally accepted auditing standards, and that such audit provides a reasonable basis for such opinion in the circumstances, and (B) a certificate of such accountants stating that, in making the audit necessary for their report on such financial statements, they have obtained no knowledge of any Event of Default or Default, or if they have obtained knowledge of any Default or Event of Default, specifying the nature thereof (such accountants, however, shall not be liable to anyone by reason of their failure to obtain knowledge of any Default or Event of Default which would not be disclosed in the course of an audit conducted in accordance with generally accepted auditing standards), provided that the delivery within the time period specified

above of the Company's Annual Report on Form 10-K for such fiscal year (together with the Company's annual report to shareholders, if any, prepared pursuant to Rule 14a-3 under the Exchange Act) prepared in accordance with the requirements therefor and filed with the Securities and Exchange Commission, together with the accountant's certificate described in clause (B) above, shall be deemed to satisfy the requirements of this Section (b);

(c) SEC and Other Reports - promptly upon their becoming available, one copy of (i) each financial statement, report, notice or proxy statement sent by the Company or any Subsidiary to public securities holders generally, and (ii) each regular or periodic report, each registration statement that shall have become effective (without exhibits except as expressly requested by such holder), and each final prospectus and all material amendments thereto filed by the Company or any Subsidiary with the Securities and Exchange Commission and of all press releases and other statements made available generally by the Company or any Subsidiary to the public concerning developments that are Material;

(d) Notice of Default or Event of Default - promptly, and in any event within five days after a Responsible Officer becoming aware of the existence of any Default or Event of Default or that any Person has given any notice or taken any action with respect to a claimed default hereunder or that any Person has given any notice or taken any action with respect to a claimed default of the type referred to in Section 11(f), a written notice specifying the nature and period of existence thereof and what action the Company is taking or proposes to take with respect thereto;

(e) ERISA Matters - promptly, and in any event within five days after a Responsible Officer becoming aware of any of the following, a written notice setting forth the nature thereof and the action, if any, that the Company or an ERISA Affiliate proposes to take with respect thereto:

(i) with respect to any Plan, any reportable event, as defined in section 4043(b) of ERISA and the regulations thereunder, for which notice thereof has not been waived pursuant to such regulations as in effect on the date hereof; or

(ii) the taking by the PBGC of steps to institute, or the threatening by the PBGC of the institution of, proceedings under section 4042 of ERISA for the termination of, or the appointment of a trustee to administer, any Plan, or the receipt by the Company or any ERISA Affiliate of a notice from a Multiemployer Plan that such action has been taken by the PBGC with respect to such Multiemployer Plan; or

(iii) any event, transaction or condition that could result in the incurrence of any liability by the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, or in the imposition of any Lien on any of the rights, properties or assets of the Company or any ERISA Affiliate pursuant to Title I or IV of ERISA or such penalty or excise tax provisions, if such liability or Lien, taken together with any other such liabilities or Liens then existing, would reasonably be expected to have a Material Adverse Effect;

(f) Notices from Governmental Authorities - promptly, and in any event within 30 days of receipt thereof, copies of any notice to the Company or any Subsidiary from any Federal or state Governmental Authority relating to any written or formal order, ruling, statute or other law or regulation the result of which would reasonably be expected to have a Material Adverse Effect; and

(g) Requested Information - with reasonable promptness, such other data and information relating to the business, operations, affairs, financial condition, assets or properties of the Company or any Subsidiary or relating to the ability of the Company to perform its obligations hereunder and under the Notes as from time to time may be reasonably requested by any such holder of Notes or relating to the ability of any Guarantor to perform it obligations under its Guarantee Agreement.

Section 7.2. Officer's Certificate. Each set of financial statements delivered to a holder of Notes pursuant to Section 7.1(a) or Section 7.1(b) hereof shall be accompanied by a certificate of a Senior Financial Officer setting forth:

(a) Covenant Compliance - the information (including detailed calculations) required in order to establish whether the Company was in compliance with the requirements of Section 10.3 through Section 10.5 hereof, inclusive, Section 10.6(j), Section 10.7 and Section 10.11 during the quarterly or annual period covered by the statements then being furnished (including with respect to each such Section, where applicable, the calculations of the maximum or minimum amount, ratio or percentage, as the case may be, permissible under the terms of such Sections, and the calculation of the amount, ratio or percentage then in existence); and

(b) Event of Default - a statement that such officer has reviewed the relevant terms hereof and has made, or caused to be made, under his or her supervision, a review of the transactions and conditions of the Company and its Subsidiaries from the beginning of the quarterly or annual period covered by the statements then being

furnished to the date of the certificate and that such review shall not have disclosed the existence during such period of any condition or event that constitutes a Default or an Event of Default or, if any such condition or event existed or exists (including, without limitation, any such event or condition resulting from the failure of the Company or any Subsidiary to comply with any Environmental Law), specifying the nature and period of existence thereof and what action the Company shall have taken or proposes to take with respect thereto.

Section 7.3. Inspection. The Company shall permit the representatives of each holder of Notes that is an Institutional Investor:

(a) No Default - if no Default or Event of Default then exists, at the expense of such holder and upon reasonable prior notice to the Company, to visit the principal executive office of the Company, to discuss the affairs, finances and accounts of the Company and its Subsidiaries with the Company's officers, and (with the consent of the Company, which consent will not be unreasonably withheld) its independent public accountants, and (with the consent of the Company, which consent will not be unreasonably withheld) to visit the other offices and properties of the Company and each Subsidiary, all at such reasonable times and as often as may be reasonably requested in writing; and

(b) Default - if a Default or Event of Default then exists, at the expense of the Company, to visit and inspect any of the offices or properties of the Company or any Subsidiary, to examine all their respective books of account, records, reports and other papers, to make copies and extracts therefrom, and to discuss their respective affairs, finances and accounts with their respective officers and independent public accountants (and by this provision the Company authorizes said accountants to discuss the affairs, finances and accounts of the Company and its Subsidiaries), all at such times and as often as may be requested.

Section 8. Prepayment of the Notes,

Section 8.1. Required Prepayments. On each of December 28, 2003 and December 28, 2004, the Company will prepay JPY 2,079,166,666 principal amount (or such lesser principal amount as shall then be outstanding) of the Notes at par and without payment of the Make-Whole Amount or any premium, provided that upon any partial prepayment of the Notes pursuant to Section 8.2 or purchase of the Notes permitted by Section 8.5 the principal amount of each required prepayment of the Notes becoming due under this Section 8.1 on and after the date of such prepayment or purchase shall be reduced in the same proportion as the aggregate unpaid principal amount of the Notes is reduced as a result of such prepayment or purchase.

Section 8.2. Optional Prepayments with Make-Whole Amount. The Company may, at its option, upon notice as provided below, prepay at any time all, or from time to time any part of, the Notes, in an amount not less than 5% of the aggregate principal amount of the Notes then outstanding in the case of a partial prepayment, at 100% of the principal amount so prepaid together with interest accrued thereon to the date of such prepayment, plus the Make-Whole Amount, if any, determined for the prepayment date with respect to such principal amount. The Company will give each holder of Notes written notice of each optional prepayment under this Section 8.2 not less than 30 days and not more than 60 days prior to the date fixed for such prepayment. Each such notice shall specify such date, the aggregate principal amount of the Notes to be prepaid on such date, the principal amount of each Note held by such holder to be prepaid (determined in accordance with Section 8.3), and the interest to be paid on the prepayment date with respect to such principal amount being prepaid, and shall be accompanied by a certificate of a Senior Financial Officer as to the estimated Make-Whole Amount, if any, due in connection with such prepayment (calculated as if the date of such notice were the date of the prepayment), setting forth the details of such computation. Two Business Days prior to such prepayment, the Company shall deliver to each holder of Notes a certificate of a Senior Financial Officer specifying the calculation of such Make-Whole Amount, if any, as of the specified prepayment date.

Section 8.3. Allocation of Partial Prepayments. In the case of each partial prepayment of the Notes, the principal amount of the Notes to be prepaid shall be allocated among all of the Notes at the time outstanding in proportion, as nearly as practicable, to the respective unpaid principal amounts thereof not theretofore called for prepayment.

Section 8.4. Maturity; Surrender, Etc. In the case of each prepayment of Notes pursuant to this Section 8, the principal amount of each Note to be prepaid shall mature and become due and payable on the date fixed for such prepayment, together with interest on such principal amount accrued to such date and the applicable Make-Whole Amount, if any. From and after such date, unless the Company shall fail to pay such principal amount when so due and payable, together with the interest and Make-Whole Amount, if any, as aforesaid, interest on such principal amount shall cease to accrue. Any Note paid or prepaid in full shall be surrendered to the Company and cancelled and shall not be reissued, and no Note shall be issued in lieu of any prepaid principal amount of any Note.

Section 8.5. Purchase of Notes. The Company will not and will not permit any Affiliate, which is directly or indirectly controlled by the Company, to purchase, redeem, prepay or otherwise acquire, directly or indirectly, any of the outstanding Notes except upon the payment or prepayment of the Notes in accordance with the terms of this Agreement and the Notes. The Company will promptly cancel all Notes acquired by it or any Affiliate pursuant to any payment, prepayment or purchase of Notes pursuant to any provision of this Agreement and no Notes may be issued in substitution or exchange for any such Notes.

Section 8.6. Make-Whole Amount. The term "Make-Whole Amount" means, with respect to any Note, an amount equal to the excess, if any, of the Discounted Value of the Remaining Scheduled Payments with respect to the Called Principal of such Note over the amount of such Called Principal, provided that the Make-Whole Amount may in no event be less than zero. For the purposes of determining the Make-Whole Amount, the following terms have the following meanings:

"Called Principal" means, with respect to any Note, the principal of such Note that is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

"Discounted Value" means, with respect to the Called Principal of any Note, the amount obtained by discounting all Remaining Scheduled Payments with respect to such Called Principal from their respective scheduled due dates to the Settlement Date with respect to such Called Principal, in accordance with accepted financial practice and at a discount factor (applied on the same periodic basis as that on which interest on the Notes is payable) equal to the Reinvestment Yield with respect to such Called Principal.

"Reinvestment Yield" means, with respect to the Called Principal of any Note, the yield to maturity implied by the lesser of the yields reported, as of 10:00 a.m. (New York time) on the second Business Day preceding the Settlement Date with respect to such Called Principal, on the display designated as (a) Bloomberg Financial Markets News screen BTMM JN (or such other Bloomberg Financial Markets News display as may replace such BTMM JN screen) for actively traded Japanese Government Bonds having a maturity which is the same as the Remaining Average Life of such Called Principal as of such Settlement Date, or (b) Bloomberg Financial Markets News screen IRSB 16 (or such other Bloomberg Financial Markets News screen which may replace such IRSB 16 screen) for actively traded Yen interest rate swaps which is the same as the Remaining Average Life of such Called Principal as of such Settlement Date, provided that if either of such yields are not reported as of such time or either of the yields reported as of such time are not ascertainable, such yield to maturity in respect of Japanese Government

Bonds or Yen interest rate swaps, as the case may be, shall be implied by the average of the rates as determined by two Recognized Yen Bond Market Makers or two Recognized Yen Swap Market Makers, as the case may be. Such implied yields will be determined, if necessary, by (i) converting quotations to bond-equivalent yields in accordance with accepted financial practice and (ii) interpolating linearly between (x) the actively traded Japanese Government Bonds or Yen interest rate swaps, as the case may be, with a maturity closest to and greater than the Remaining Average Life of such Called Principal as of such Settlement Date.

"Recognized Yen Bond Market Maker" means any financial institution that makes regular markets in Japanese Government Bonds and Japanese Government Bond-based securities and financial products, as shall be agreed between the Required Holders and the Company or, following the occurrence and continuance of an Event of Default, as reasonably required by the Required Holders.

"Recognized Yen Swap Market Maker" means any financial institution that makes regular markets in Yen interest rate swaps as shall be agreed between the Required Holders and the Company or, following the occurrence and continuance of an Event of Default, as reasonably required by the Required Holders.

"Remaining Average Life" means, with respect to any Called Principal, the number of years (calculated to the nearest one-twelfth year) obtained by dividing (i) such Called Principal into (ii) the sum of the products obtained by multiplying (a) the principal component of each Remaining Scheduled Payment with respect to such Called Principal by (b) the number of years (calculated to the nearest one-twelfth year) that will elapse between the Settlement Date with respect to such Called Principal and the scheduled due date of such Remaining Scheduled Payment.

"Remaining Scheduled Payments" means, with respect to the Called Principal of any Note, all payments of such Called Principal and interest thereon that would be due after the Settlement Date with respect to such Called Principal if no payment of such Called Principal were made prior to its scheduled due date, provided that if such Settlement Date is not a date on which interest payments are due to be made under the terms of the Notes, then the amount of the next succeeding scheduled interest payment will be reduced by the amount of interest accrued to such Settlement Date and required to be paid on such Settlement Date pursuant to Section 8.2 or 12.1.

"Settlement Date" means, with respect to the Called Principal of any Note, the date on which such Called Principal is to be prepaid pursuant to Section 8.2 or has become or is declared to be immediately due and payable pursuant to Section 12.1, as the context requires.

Section 9. Affirmative Covenants.

The Company covenants that so long as any of the Notes are outstanding:

Section 9.1. Compliance with Law. The Company will, and will cause each of its Subsidiaries to, comply with all laws, ordinances or governmental rules or regulations to which each of them is subject, including, without limitation, Environmental Laws, and will obtain and maintain in effect all licenses, certificates, permits, franchises and other governmental authorizations necessary to the ownership of their respective properties or to the conduct of their respective businesses, in each case to the extent necessary to ensure that non-compliance with such laws, ordinances or governmental rules or regulations or failures to obtain or maintain in effect such licenses, certificates, permits, franchises and other governmental authorizations would not reasonably be expected, individually or in the aggregate, to have a Material Adverse Effect.

Section 9.2. Insurance. The Company will, and will cause each of its Subsidiaries to, maintain, with financially sound and reputable insurers, insurance with respect to their respective properties and businesses against such casualties and contingencies, of such types, on such terms and in such amounts (including deductibles, co-insurance and self-insurance, if adequate reserves are maintained with respect thereto) as is customary in the case of entities of established reputations engaged in the same or a similar business and similarly situated.

Section 9.3. Maintenance of Properties. The Company will, and will cause each of its Subsidiaries to, maintain and keep, or cause to be maintained and kept, their respective properties in good repair, working order and condition (other than ordinary wear and tear), so that the business carried on in connection therewith may be properly conducted at all times, provided that this Section shall not prevent the Company or any Subsidiary from discontinuing the operation and the maintenance of any of its properties if such discontinuance is desirable in the conduct of its business and the Company has concluded that such discontinuance would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect.

Section 9.4. Payment of Taxes. The Company will, and will cause each of its Subsidiaries to, file all income tax or similar tax returns required to be filed in any jurisdiction and to pay and discharge all taxes shown to be due and payable on such returns and all other taxes, assessments, governmental charges, or levies imposed on them or any of their properties, assets, income or franchises, to the extent such taxes and assessments have become due and payable and before they have become delinquent and all

claims for which sums have become due and payable have or might become a Lien on properties or assets of the Company or any Subsidiary, provided that neither the Company nor any Subsidiary need pay any such tax or assessment or claims if (a) the amount, applicability or validity thereof is contested by the Company or such Subsidiary on a timely basis in good faith and in appropriate proceedings, and the Company or a Subsidiary has established adequate reserves therefor in accordance with GAAP on the books of the Company or such Subsidiary or (b) the nonpayment of all such taxes and assessments in the aggregate would not reasonably be expected to have a Material Adverse Effect.

Section 9.5. Corporate Existence, Etc. The Company will at all times preserve and keep in full force and effect its corporate existence. Subject to Sections 9.3, 10.2 and 10.7, the Company will at all times preserve and keep in full force and effect the corporate existence of each of its Subsidiaries (unless merged into the Company or a Subsidiary) and all rights and franchises of the Company and its Subsidiaries unless, in the good faith judgment of the Company, the termination of or failure to preserve and keep in full force and effect such corporate existence, right or franchise would not, individually or in the aggregate, have a Material Adverse Effect.

Section 9.6. Subsequent Guarantors. The Company agrees that if at any time any Subsidiary which is not a Subsidiary Guarantor on the date hereof, shall guarantee any of the Bank Agreements, the Prudential Obligations or any other Debt of the Company, the Company will cause such Subsidiary to, simultaneously with the entry into the guarantee of such Bank Agreements, the Prudential Obligations or any other Debt, execute and deliver for the benefit of the holders of the Notes a Guarantee Agreement.

Section 9.7. Covenant to Secure Notes Equally. In the event that the Company or any Subsidiary shall create or assume any Lien upon any of its property or assets, whether now owned or hereafter acquired, other than Liens permitted by the provisions of Section 10.6 (unless prior written consent to the creation or assumption thereof shall have been obtained pursuant to Section 17), it will make or cause to be made effective provision whereby the Notes will be secured by such Lien equally and ratably with any and all other Debt thereby secured so long as any such other Debt shall be so secured.

Section 9.8. Pari Passu Ranking. The Company's obligations under the Notes and this Agreement will at all times rank at least pari passu with all other unsecured present and future Debt of the Company, except to the extent of any mandatory preferences which may arise only as a result of any applicable bankruptcy, insolvency, liquidation or other similar laws of general application.

Section 9.9. Rule 144A Information. The Company covenants that it will, upon the request of the holder of any Note, provide such holder, and any qualified institutional buyer designated by such holder, such financial and other information as such holder may reasonably determine to be necessary in order to permit compliance with the information requirements of Rule 144A under the Securities Act in connection with the resale of Notes, except at such times as the Company is subject to and in compliance with the reporting requirements of section 13 or 15(d) of the Exchange Act. For the purpose of this Section 9.9, the term "qualified institutional buyer" shall have the meaning specified in Rule 144A under the Securities Act.

Section 10. Negative Covenants.

The Company covenants that so long as any of the Notes are outstanding:

Section 10.1. Transactions with Affiliates. The Company will not, and will not permit any Subsidiary to, enter into directly or indirectly any Material transaction or Material group of related transactions (including without limitation the purchase, lease, sale or exchange of properties of any kind or the rendering of any service) with any Affiliate (other than the Company or another Subsidiary), except pursuant to the reasonable requirements of the Company's or such Subsidiary's business and upon fair and reasonable terms no less favorable to the Company or such Subsidiary than would be obtainable in a comparable arm's-length transaction with a Person not an Affiliate.

Section 10.2. Merger, Consolidation, Etc. The Company will not, and will not permit any Subsidiary to, merge or consolidate with or into any other Person, except that, so long as no Event of Default exists or would result therefrom:

(a) any Subsidiary may merge or consolidate with or into the Company, so long as the Company is the continuing or surviving corporation,

(b) any Subsidiary may merge or consolidate with or into another Subsidiary, so long as the surviving Person is or contemporaneously becomes a Wholly-Owned Subsidiary, and provided that if such merger or consolidation involves a Subsidiary Guarantor and such Subsidiary Guarantor is not the survivor, the surviving Person shall assume in writing upon terms and conditions reasonably satisfactory to the Required Holders and will provide such related documents (including, without limitation, corporate or other showings, officer's certificates and opinions) as the Required Holders may reasonably request, and

(c) the Company may merge with any other solvent corporation, so long as the Company is the continuing or surviving corporation.

Section 10.3. Consolidated Net Worth. The Company will not permit Consolidated Net Worth at any time to be less than the sum of (a) $456,000,000 plus (b) to the extent positive, 25% of Consolidated Net Income for each fiscal quarter ended subsequent to September 30, 2001 and prior to any date of determination.

Section 10.4. Interest Coverage Ratio. The Company will not permit as of the end of any fiscal quarter the ratio of Consolidated EBITDA to Consolidated Interest Expense to be less than 3.50 to 1.00 for the four consecutive fiscal quarter period ended as of the end of such fiscal quarter, commencing with the four consecutive fiscal quarter period ended September 30, 2001.

Section 10.5. Debt and Priority Debt Limitations. The Company will not permit (a) the ratio, expressed as a percentage, of Consolidated Debt to Consolidated Capitalization to (i)-exceed 65% at any time during the period commencing on the date of Closing and ending on December 31, 2002, (ii) exceed 55% during the period commencing on January 1, 2003 and ending on December 31, 2003 or (iii) 50% at any time thereafter or (b) the aggregate amount of Priority Debt to at any time exceed 15% of Consolidated Net Worth.

Section 10.6. Permitted Liens. The Company will not, and will not permit any Subsidiary to, create, assume or suffer to exist any Lien upon any of its properties or assets, whether now owned or hereafter acquired (whether or not provision is made for the equal and ratable securing of the Notes in accordance with the provisions of Section 9.7), except:

(a) Liens for taxes, assessments or other governmental levies or charges not yet due or which are being contested in good faith for which adequate reserves have been established in accordance with generally accepted accounting principles,

(b) statutory Liens of landlords, Liens of carriers, warehousemen, mechanics and materialmen, and Liens of a similar nature, in each case that do not secure Debt, are incurred in the ordinary course of business and are for sums not yet due or are being contested in good faith,

(c) Liens on property or assets of a Subsidiary of the Company to secure obligations of such Subsidiary to the Company or to a Wholly-Owned Subsidiary,

(d) Liens (other than any Lien imposed by ERISA) incurred, or deposits made, in the ordinary course of business, such as workers' compensation Liens or statutory or legal obligation Liens; provided, however, that such Liens were not incurred or made in connection with the borrowing of money or the obtaining of advances or credit,

(e) survey exceptions and easements and reservations arising in the ordinary course of business that do not secure Debt, which do not in aggregate materially detract from the use or value of the property subject thereto,

(f) Liens existing on the date of this Agreement and securing Debt of the Company and its Subsidiaries, in each case as identified on Schedule 5.15 (including those Liens on any assets acquired in connection with the acquisition of the dental business of Degussa AG in October, 2001),

(g) any Lien created to secure all or any part of the purchase price, or to secure Debt incurred or assumed to pay all or any part of the purchase price or cost of construction, of property (or any improvement thereon) acquired or constructed by the Company or a Subsidiary after the date of this Agreement, provided that

(i) any such Lien shall extend solely to the item or items of such property (or improvement thereon) so acquired or constructed,

(ii) the principal amount of the Debt secured by any such Lien shall at no time exceed the cost to the Company or such Subsidiary of the property (or improvement thereon) so acquired or constructed,

(iii) any such Lien shall be created contemporaneously with, or within 90 days after, the acquisition or construction of such property, and

(iv) no such Lien shall attach to any property the purchase of which was made with the net sale proceeds of any assets described in the proviso to Section 10.7,

(h) any Lien existing on property of a Person immediately prior to its being consolidated with or merged into the Company or a Subsidiary or its becoming a Subsidiary, or any Lien existing on any property acquired by the Company or any Subsidiary at the time such property is so acquired (whether or not the Debt secured thereby shall have been assumed), provided that (i) no such Lien shall have been created or assumed in contemplation of such consolidation or merger or such Person's becoming a Subsidiary or such acquisition of property, and (ii) each such Lien shall extend solely to the item or items of property so acquired, and

(i) any Lien renewing, extending or refunding any Lien permitted by clauses (f), (g) or (h) of this Section 10.6, provided that (i) the principal amount of Debt secured by such Lien immediately prior to such extension, renewal or refunding is not increased or the maturity or remaining average life thereof reduced and (ii) such Lien is not extended to any other property,

(j) other Liens securing Debt of the Company or a Subsidiary, provided that the aggregate principal amount of Priority Debt shall at no time exceed 15% of Consolidated Net Worth;

Section 10.7. Sale of Assets. The Company will not, and will not permit any Subsidiary to, sell, exchange, convey, lease, transfer or otherwise dispose of ("Transfer") any of its assets (exclusive of sales of inventory in the ordinary course of business), except that:

(a) any Subsidiary may Transfer assets to the Company or to a Wholly-Owned Subsidiary (so long as any such Transfer to a Wholly-Owned Subsidiary does not result in the movement of assets from a Designated Country to a country which is not a Designated Country); or

(b) the Company or any Subsidiary may otherwise Transfer assets, so long as after giving effect thereto neither (i) the Annual Percentage of Earnings Capacity Transferred pursuant to this subsection (b) and Section 10.8 exceeds 15%, nor (ii) the Annual Percentage of Assets Transferred pursuant to this subsection (b) and Section 10.8 exceeds 15%; provided that if the net sale proceeds of any assets Transferred are, within 180 days after the date of Transfer, (1) applied to the prepayment of senior Debt of the Company (including the Notes pursuant to the terms of Section 8.2) on a pro rata basis or (2) used for the purchase of similar assets (located in a Designated Country if and to the extent the assets Transferred were located in a Designated Country), then such Transfer shall not be included in the calculations provided in this subsection (b).

Section 10.8. Sale of Stock and Debt of Subsidiaries. The Company will not sell or otherwise dispose of, or part with control of, any shares of stock (or similar equity interests) or Debt of any Subsidiary, except to the Company or a Wholly-Owned Subsidiary, and except that all shares of stock (or similar equity interests) and Debt of any Subsidiary at the time owned by or owed to the Company and all Subsidiaries may be sold as an entirety for a cash consideration which represents the fair value (as determined in good faith by the Board of Directors of the Company) at the time of sale of the shares of stock (or similar equity interests) and Debt so sold; provided that (a) such sale or other disposition is treated as a Transfer of assets of such Subsidiary and is permitted by Section 10.7 and (b) at the time of such sale, such Subsidiary shall not own, directly or indirectly, any shares of stock or Debt of any other Subsidiary, unless all of the shares of stock and Debt of such other Subsidiary owned, directly or indirectly, by the Company and all Subsidiaries are simultaneously being sold as permitted by this Section 10.8.

Section 10.9. Sale or Discount of Receivables. The Company will not, and will not permit any Subsidiary to, sell with recourse, or discount or otherwise sell for less than the face value thereof, any of its notes or accounts receivable, other than (a) notes or accounts receivable the collection of which is doubtful in accordance with generally accepted accounting principles and (b) pursuant to the Brazilian Receivables Program.

Section 10.10. Subsidiary Dividend Restrictions. The Company will not incur or permit to exist any restriction (other than restrictions imposed pursuant to any applicable law) on any Subsidiary's ability to make dividends or other distributions to the Company or any other Subsidiary, to repay intra-company Debt or to otherwise transfer earnings or assets to the Company or its Subsidiaries.

Section 10.11. Sale and Leasebacks. The Company will not enter into any transaction, directly or indirectly, whereby it shall sell or transfer any property, if at the time of such sale or disposition the Company or any Subsidiary intends to lease or otherwise acquire the right to use or possess (except by purchase) such property or like property for a substantially similar purpose (a "Sale and Leaseback Transaction") except:

(a) any Sale and Leaseback Transaction in which the property is sold by the Company to a Subsidiary or by a Subsidiary to the Company or another Subsidiary, or

(b) the Company or any Subsidiary may enter into any Sale and Leaseback Transaction if (i) at the time thereof and immediately after giving effect thereto no Default or Event of Default shall exist (including any Event of Default under Section- 10.5(b)) and the proceeds from the sale of the subject property shall be equal to not less than 80% of its fair market value (as reasonably determined by the Company's Board of Directors); or

(c) any Sale and Leaseback Transaction in which the property sold consists of the precious metals inventory acquired by the Company in connection with its acquisition of the dental business of Degussa AG in October, 2001 in an aggregate equivalent amount not to exceed U.S.$110,000,000, with respect to the precious metals owned by the Degussa Dental Group prior to such acquisition; provided any such Sale and Leaseback Transaction shall be entered into and effective no later than June 30, 2002.

Section 10.12. Line of Business. The Company will not, and will not permit any Subsidiary to, engage in any business activities other than those related or incidental to its present business activities, namely, the manufacture and distribution of (a) dental supplies and equipment, (b) medical/industrial supplies and equipment and (c) other healthcare products, provided, that (i) the net business activities described in clause (c) shall not represent more than 20% of the Consolidated Net Income for any fiscal year, commencing with the fiscal year ended December 31, 2001 and (ii) the assets of the business activities described in clause (c) shall not at any time represent more than 20% of the consolidated assets of the Company and its Subsidiaries.

Section 11. Events of Default.

An "Event of Default" shall exist if any of the following conditions or events shall occur and be continuing:

(a) the Company defaults in the payment of any principal or Make-Whole Amount, if any, on any Note when the same becomes due and payable, whether at maturity or at a date fixed for prepayment or by declaration or otherwise; or

(b) the Company defaults in the payment of any interest on any Note for more than five days after the same becomes due and payable; or

(c) the Company defaults in the performance of or compliance with any term contained in Sections 10.2 through 10.11, inclusive; or

(d) the Company defaults in the performance of or compliance with any term contained herein (other than those referred to in paragraphs (a), (b) and (c) of this Section-11) and such default is not remedied within 30 days after the earlier of (i) a Responsible Officer obtaining actual knowledge of such default and (ii) the Company receiving written notice of such default from any holder of a Note (any such written notice to be identified as a "notice of default" and to refer specifically to this paragraph (d) of Section 11); or

(e) any representation or warranty made in writing by or on behalf of the Company or by any officer of the Company in this Agreement or in any writing furnished in connection with the transactions contemplated hereby proves to have been false or incorrect in any material respect on the date as of which made; or

(f) (i) the Company or any Subsidiary is in default (as principal or as guarantor or other surety) in the payment of any principal of or premium or make-whole amount or interest on any Debt that is outstanding in an aggregate principal amount of at least $10,000,000 beyond any period of grace provided with respect thereto, or (ii) the Company or any Subsidiary is in default in the performance of or compliance with any term of any evidence of any Debt in an aggregate outstanding principal amount of at least $10,000,000 or of any mortgage, indenture or other agreement relating thereto or any other condition exists, and as a consequence of such default or condition such Debt has become, or has been declared (or one or more persons are entitled to declare such Debt to be), due and payable before its stated maturity or before its regularly scheduled dates of payment or (iii) as a consequence of the occurrence or continuation of any event or condition (other than the passage of time or the right of the holder of Debt to convert such Debt into equity interests), (x) the Company or any Subsidiary has become obligated to purchase or repay Debt before its regular maturity or before its regularly scheduled dates of payment in an aggregate outstanding principal amount of at least $10,000,000, or (y) one or more persons has the right to require the Company or any Subsidiary so to purchase or repay such Debt; or

(g) the Company or any Material Subsidiary (i) is generally not paying, or admits in writing its inability to pay, its debts as they become due, (ii) files, or consents by answer or otherwise to the filing against it of, a petition for relief or reorganization or arrangement or any other petition in bankruptcy, for liquidation or to take advantage of any bankruptcy, insolvency, reorganization, moratorium or other similar law of any jurisdiction, (iii) makes an assignment for the benefit of its creditors, (iv) consents to the appointment of a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, (v) is adjudicated as insolvent or to be liquidated, or (vi) takes corporate action for the purpose of any of the foregoing; or

(h) a court or governmental authority of competent jurisdiction enters an order appointing, without consent by the Company or any of its Material Subsidiaries, a custodian, receiver, trustee or other officer with similar powers with respect to it or with respect to any substantial part of its property, or constituting an order for relief or approving a petition for relief or reorganization or any other petition in bankruptcy or for liquidation or to take advantage of any bankruptcy or insolvency law of any jurisdiction, or ordering the dissolution, winding-up or liquidation of the Company or any of its Material Subsidiaries, or any such petition shall be filed against the Company or any of its Material Subsidiaries and such petition shall not be dismissed within 60 days; or

(i) a final judgment or judgments for the payment of money aggregating in excess of $10,000,000 are rendered against one or more of the Company and its Material Subsidiaries and which judgments are not, within 60 days after entry thereof, bonded, discharged or stayed pending appeal, or are not discharged within 60 days after the expiration of such stay; or

(j) any default shall occur under any Guarantee Agreement or any Guarantee Agreement shall cease to be in full force and effect for any reason whatsoever, including, without limitation, a determination by any governmental body or court that such Guarantee Agreement is invalid, void or unenforceable or any guarantor party thereto shall contest or deny in writing the validity or enforceability of any of its obligations under any such Guarantee Agreement; or

(k) if (i) any Plan shall fail to satisfy the minimum funding standards of ERISA or the Code for any plan year or part thereof or a waiver of such standards or extension of any amortization period is sought or granted under section 412 of the Code, (ii) a notice of intent to terminate any Plan shall have been or is reasonably expected to be filed with the PBGC or the PBGC shall have instituted proceedings under ERISA section 4042 to terminate or appoint a trustee to administer any Plan or the PBGC shall have notified the Company or any ERISA Affiliate that a Plan may become a subject of any such proceedings, (iii) the aggregate "amount of unfunded benefit liabilities" (within the meaning of section 4001(a)(18) of ERISA) under all Plans, determined in accordance with Title IV of ERISA, shall exceed $10,000,000, (iv) the Company or any ERISA Affiliate shall have incurred or is reasonably expected to incur any liability pursuant to Title I or IV of ERISA or the penalty or excise tax provisions of the Code relating to employee benefit plans, (v) the Company or any ERISA Affiliate withdraws from any Multiemployer Plan, or (vi) the Company or any Subsidiary establishes or amends any employee welfare benefit plan that provides post-employment welfare benefits in a manner that would increase the liability of the Company or any Subsidiary thereunder; and any such event or events described in clauses (i) through (vi) above, either individually or together with any other such event or events, would reasonably be expected to have a Material Adverse Effect.

As used in Section 11(k), the terms "employee benefit plan" and "employee welfare benefit plan" shall have the respective meanings assigned to such terms in Section 3 of ERISA.

Section 12. Remedies on Default, Etc.

Section 12.1. Acceleration. (a) If an Event of Default with respect to the Company described in paragraph (g) or (h) of Section 11 (other than an Event of Default described in clause (i) of paragraph (g) or described in clause (vi) of paragraph (g) by virtue of the fact that such clause encompasses clause (i) of paragraph (g)) has occurred, all the Notes then outstanding shall automatically become immediately due and payable.

(b) If any other Event of Default has occurred and is continuing, any holder or holders of at least 51% in principal amount of the Notes at the time outstanding may at any time at its or their option, by notice or notices to the Company, declare all the Notes then outstanding to be immediately due and payable.

(c) If any Event of Default described in paragraph (a) or (b) of Section 11 has occurred and is continuing, any holder or holders of Notes at the time outstanding affected by such Event of Default may at any time, at its or their option, by notice or notices to the Company, declare all the Notes held by it or them to be immediately due and payable.

Upon any Notes becoming due and payable under this Section 12.1, whether automatically or by declaration, such Notes will forthwith mature and the entire unpaid principal amount, if any, of such Notes, plus (x) all accrued and unpaid interest thereon and (y) the Make-Whole Amount, if any, determined in respect of such principal amount (to the full extent permitted by applicable law), shall all be immediately due and payable, in each and every case without presentment, demand, protest or further notice, all of which are hereby waived. The Company acknowledges, and the parties hereto agree, that each holder of a Note has the right to maintain its investment in the Notes free from repayment by the Company (except as herein specifically provided for) and that the provision for payment of a Make-Whole Amount, if any, by the Company in the event that the Notes are prepaid or are accelerated as a result of an Event of Default, is intended to provide compensation for the deprivation of such right under such circumstances.

Section 12.2. Other Remedies. If any Default or Event of Default has occurred and is continuing, and irrespective of whether any Notes have become or have been declared immediately due and payable under Section 12.1, the holder of any Note at the time outstanding may proceed to protect and enforce the rights of such holder by an action at law, suit in equity or other appropriate proceeding, whether for the specific performance of any agreement contained herein or in any Note, or for an injunction against a violation of any of the terms hereof or thereof, or in aid of the exercise of any power granted hereby or thereby or by law or otherwise.

Section 12.3. Rescission. At any time after any Notes have been declared due and payable pursuant to clause (b) or (c) of Section 12.1, the holders of not less than 51% in principal amount of the Notes then outstanding, by written notice to the Company, may rescind and annul any such declaration and its consequences if (a) the Company has paid all overdue interest on the Notes, all principal of and Make-Whole Amount, if any, on any Notes that are due and payable and are unpaid other than by reason of such declaration, and all interest on such overdue principal and Make-Whole Amount, if any, and (to the extent permitted by applicable law) any overdue interest in respect of the Notes, at the Default Rate, (b) all Events of Default and Defaults, other than non-payment of amounts that have become due solely by reason of such declaration, have been cured or have been waived pursuant to Section 17, and (c) no judgment or decree has been entered for the payment of any monies due pursuant hereto or to the Notes. No rescission and annulment under this Section 12.3 will extend to or affect any subsequent Event of Default or Default or impair any right consequent thereon

Section 12.4. No Waivers or Election of Remedies, Expenses, Etc. No course of dealing and no delay on the part of any holder of any Note in exercising any right, power or remedy shall operate as a waiver thereof or otherwise prejudice such holder's rights, powers or remedies. No right, power or remedy conferred by this Agreement or by any Note upon any holder thereof shall be exclusive of any other right, power or remedy referred to herein or therein or now or hereafter available at law, in equity, by statute or otherwise. Without limiting the obligations of the Company under Section 15, the Company will pay to the holder of each Note on demand such further amount as shall be sufficient to cover all costs and expenses of such holder incurred in any enforcement or collection under this Section 12, including, without limitation, reasonable attorneys' fees, expenses and disbursements.

Section 13. Registration; Exchange; Substitution of Notes.

Section 13.1. Registration of Notes. The Company shall keep at its principal executive office a register for the registration and registration of transfers of Notes. The name and address of each holder of one or more Notes, each transfer thereof and the name and address of each transferee of one or more Notes shall be registered in such register. Prior to due presentment for registration of transfer, the Person in whose name any Note shall be registered shall be deemed and treated as the owner and holder thereof for all purposes hereof, and the Company shall not be affected by any notice or knowledge to the contrary. The Company shall give to any holder of a Note that is an Institutional Investor promptly upon request therefor, a complete and correct copy of the names and addresses of all registered holders of Notes.

Section 13.2. Transfer and Exchange of Notes. Upon surrender of any Note at the principal executive office of the Company for registration of transfer or exchange (and in the case of a surrender for registration of transfer, duly endorsed or accompanied by a written instrument of transfer duly executed by the registered holder of such Note or his attorney duly authorized in writing and accompanied by the address for notices of each transferee of such Note or part thereof), the Company shall execute and deliver, at the Company's expense (except as provided below), one or more new Notes (as requested by the holder thereof) in exchange therefor, in an aggregate principal amount equal to the unpaid principal amount of the surrendered Note. Each such new Note shall be payable to such Person as such holder may request and shall be substantially in the form of Exhibit 1. Each such new Note shall be dated and bear interest from the date to which interest shall have been paid on the surrendered Note or dated the date of the surrendered Note if no interest shall have been paid thereon. The Company may require payment of a sum sufficient to cover any stamp tax or governmental charge imposed in respect of any such transfer of Notes. Notes shall not be transferred in denominations of less than JPY 125,000,000, provided that if necessary to enable the registration of transfer by a holder of its entire holding of Notes, one Note may be in a denomination of less than JPY 125,000,000. Any transferee, by its acceptance of a Note registered in its name (or the name of its nominee), shall be deemed to have made the representation set forth in Section 6.2.

Section 13.3. Replacement of Notes. Upon receipt by the Company of evidence reasonably satisfactory to it of the ownership of and the loss, theft, destruction or mutilation of any Note (which evidence shall be, in the case of an Institutional Investor, notice from such Institutional Investor of such ownership and such loss, theft, destruction or mutilation), and

(a) in the case of loss, theft or destruction, of indemnity reasonably satisfactory to it (provided that if the holder of such Note is, or is a nominee for, an original Purchaser or another holder of a Note with a minimum net worth of at least $100,000,000, such Person's own unsecured agreement of indemnity shall be deemed to be satisfactory), or

(b) in the case of mutilation, upon surrender and cancellation thereof, the Company at its own expense shall execute and deliver, in lieu thereof, a new Note, dated and bearing interest from the date to which interest shall have been paid on such lost, stolen, destroyed or mutilated Note or dated the date of such lost, stolen, destroyed or mutilated Note if no interest shall have been paid thereon.

Section 14. Payments on Notes.

Section 14.1. Place of Payment. Subject to Section 14.2, payments of principal, Make-Whole Amount, if any, and interest becoming due and payable hereunder or on the Notes shall be made during the business day in Japan in New York City, New York at the principal office of The Chase Manhattan Bank in such jurisdiction. The Company may at any time, by notice to each holder of a Note, change the place of payment of the Notes so long as such place of payment shall be either the principal office of the Company in such jurisdiction or the principal office of a bank or trust company in such jurisdiction.

Section 14.2. Home Office Payment. So long as you or your nominee shall be the holder of any Note, and notwithstanding anything contained in Section 14.1 or in such Note to the contrary, the Company will pay all sums becoming due on such Note for principal, Make-Whole Amount, if any, and interest by the method and at the address specified for such purpose below your name in Schedule A, or by such other method or at such other address as you shall have from time to time specified to the Company in writing for such purpose, without the presentation or surrender of such Note or the making of any notation thereon, except that upon written request of the Company made concurrently with or reasonably promptly after payment or prepayment in full of any Note, you shall surrender such Note for cancellation, reasonably promptly after any such request, to the Company at its principal executive office or at the place of payment most recently designated by the Company pursuant to Section 14.1. Prior to any sale or other disposition of any Note held by you or your nominee you will, at your election, either endorse thereon the amount of principal paid thereon and the last date to which interest has been paid thereon or surrender such Note to the Company in exchange for a new Note or Notes pursuant to Section 13.2. The Company will afford the benefits of this Section 14.2 to any Institutional Investor that is the direct or indirect transferee of any Note purchased by you under this Agreement and that has made the same agreement relating to such Note as you have made in this Section 14.2.

Section 14.3. Judgment Currency. Any payment on account of an amount that is payable hereunder or under the Notes in a specified currency (the "Specified Currency") which, notwithstanding the requirement of the Notes, is made to or for the account of any holder of a Note in lawful currency of any other jurisdiction (the "Other Currency"), whether as a result of any judgment or order or the enforcement thereof or the realization of any security or the liquidation of the Company, shall constitute a discharge of the Company's obligation under this Agreement and such Notes only to the extent of the amount of the Specified Currency which such holder could purchase in New York foreign exchange markets with the amount of the Other Currency in accordance with normal banking procedures at the rate of exchange prevailing at 10:00 a.m. on the first New York Business Day following receipt of the payment first referred to above. If the amount of the Specified Currency that could be so purchased is less than the amount of Specified Currency originally due to such holder, the Company shall indemnify and save harmless such holder from

and against all loss or damage arising out of or as a result of such deficiency. This indemnity shall constitute an obligation separate and independent from the other obligations contained in this Agreement, shall give rise to a separate and independent cause of action, shall apply irrespective of any indulgence granted by any holder of a Note from time to time and shall continue in full force and effect notwithstanding any judgment or order for a liquidated sum in respect of an amount due hereunder or under any judgment or order.

Section 15. Expenses, Etc.

Section 15.1. Transaction Expenses. Whether or not the transactions contemplated hereby are consummated, the Company will pay all costs and expenses (including reasonable attorneys' fees of the special counsel referenced in Section 4.4(b) and, if reasonably required, local counsel) incurred by you and each Other Purchaser or holder of a Note in connection with such transactions and in connection with any amendments, waivers or consents under or in respect of this Agreement or the Notes (whether or not such amendment, waiver or consent becomes effective), including, without limitation: (a) the costs and expenses incurred in enforcing or defending (or determining whether or how to enforce or defend) any rights under this Agreement or the Notes or in responding to any subpoena or other legal process or informal investigative demand issued in connection with this Agreement or the Notes, or by reason of being a holder of any Note, and (b) the costs and expenses, including, at any given time, one financial advisor's fees (acting for all holders of Notes), incurred in connection with the insolvency or bankruptcy of the Company or any Subsidiary or in connection with any work-out or restructuring of the transactions contemplated hereby and by the Notes. The Company will pay, and will save you and each other holder of a Note harmless from, all claims in respect of any fees, costs or expenses if any, of brokers and finders (other than those retained by you).

Section 15.2. Survival. The obligations of the Company under this Section 15 will survive the payment or transfer of any Note, the enforcement, amendment or waiver of any provision of this Agreement or the Notes, and the termination of this Agreement.

Section 16. Survival of Representations and Warranties; Entire Agreement.

All representations and warranties contained herein shall survive the execution and delivery of this Agreement and the Notes, the purchase or transfer by you of any Note or portion thereof or interest therein and the payment of any Note, and may be relied upon by any subsequent holder of a Note, regardless of any investigation made at any time by or on behalf of you or any other holder of a Note. All statements contained in any certificate or other instrument delivered by or on behalf of the Company pursuant to this Agreement shall be deemed

representations and warranties of the Company under this Agreement. Subject to the preceding sentence, this Agreement and the Notes embody the entire agreement and understanding between you and the Company and supersede all prior agreements and understandings relating to the subject matter hereof.

Section 17. Amendment and Waiver.

Section 17.1. Requirements. This Agreement and the Notes may be amended, and the observance of any term hereof or of the Notes may be waived (either retroactively or prospectively), with (and only with) the written consent of the Company and the Required Holders, except that (a) no amendment or waiver of any of the provisions of Section 1, 2, 3, 4, 5, 6 or 21 hereof, or any defined term (as it is used therein), will be effective as to you unless consented to by you in writing, and (b) no such amendment or waiver may, without the written consent of the holder of each Note at the time outstanding affected thereby, (i) subject to the provisions of Section 12 relating to acceleration or rescission, change the amount or time of any prepayment or payment of principal of, or reduce the rate or change the time of payment or method of computation of interest or of the Make-Whole Amount on, the Notes, (ii) change the percentage of the principal amount of the Notes the holders of which are required to consent to any such amendment or waiver, or (iii) amend any of Sections 8, 11(a), 11(b), 12, 17 or 20.

Section 17.2. Solicitation of Holders of Notes.

(a) Solicitation. The Company will provide each holder of the Notes (irrespective of the amount of Notes then owned by it) with sufficient information, sufficiently far in advance of the date a decision is required, to enable such holder to make an informed and considered decision with respect to any proposed amendment, waiver or consent in respect of any of the provisions hereof or of the Notes. The Company will deliver executed or true and correct copies of each amendment, waiver or consent effected pursuant to the provisions of this Section 17 to each holder of outstanding Notes promptly following the date on which it is executed and delivered by, or receives the consent or approval of, the requisite holders of Notes.

(b) Payment. The Company will not directly or indirectly pay or cause to be paid any remuneration, whether by way of supplemental or additional interest, fee or otherwise, or grant any security, to any holder of Notes as consideration for or as an inducement to the entering into by any holder of Notes of any waiver or amendment of any of the terms and provisions hereof unless such remuneration is concurrently paid, or security is concurrently granted, on the same terms, ratably to each holder of Notes then outstanding even if such holder did not consent to such waiver or amendment.

Section 17.3. Binding Effect, Etc. Any amendment or waiver consented to as provided in this Section 17 applies equally to all holders of Notes and is binding upon them and upon each future holder of any Note and upon the Company without regard to whether such Note has been marked to indicate such amendment or waiver. No such amendment or waiver will extend to or affect any obligation, covenant, agreement, Default or Event of Default not expressly amended or waived or impair any right consequent thereon. No course of dealing between the Company and the holder of any Note nor any delay in exercising any rights hereunder or under any Note shall operate as a waiver of any rights of any holder of such Note. As used herein, the term "this Agreement" and references thereto shall mean this Agreement as it may from time to time be amended or supplemented.

Section 17.4. Notes Held by Company, Etc. Solely for the purpose of determining whether the holders of the requisite percentage of the aggregate principal amount of Notes then outstanding approved or consented to any amendment, waiver or consent to be given under this Agreement or the Notes, or have directed the taking of any action provided herein or in the Notes to be taken upon the direction of the holders of a specified percentage of the aggregate principal amount of Notes then outstanding, Notes directly or indirectly owned by the Company or any of its Affiliates shall be deemed not to be outstanding.

Section 18. Notices.

All notices and communications provided for hereunder shall be in writing and sent (a)-by telecopy if the sender on the same day sends a confirming copy of such notice by a recognized overnight delivery service (charges prepaid), or (b) by registered or certified mail with return receipt requested (postage prepaid), or (c) by a recognized overnight delivery service (with charges prepaid). Any such notice must be sent:

(i) if to you or your nominee, to you or it at the address specified for such communications in Schedule A, or at such other address as you or it shall have specified to the Company in writing,

(ii) if to any other holder of any Note, to such holder at such address as such other holder shall have specified to the Company in writing, or

(iii) if to the Company, to the Company at its address set forth at the beginning hereof to the attention of the Treasurer, with a copy to the same address to the attention of the Secretary, or at such other address as the Company shall have specified to the holder of each Note in writing.

Notices under this Section 18 will be deemed given only when actually received.

Section 19. Reproduction of Documents.

This Agreement and all documents relating thereto, including, without limitation, (a)-consents, waivers and modifications that may hereafter be executed, (b) documents received by you at the Closing (except the Notes themselves), and (c) financial statements, certificates and other information previously or hereafter furnished to you, may be reproduced by you by any photographic, photostatic, microfilm, microcard, miniature photographic or other similar process and you may destroy any original document so reproduced. The Company agrees and stipulates that, to the extent permitted by applicable law, any such reproduction shall be admissible in evidence as the original itself in any judicial or administrative proceeding (whether or not the original is in existence and whether or not such reproduction was made by you in the regular course of business) and any enlargement, facsimile or further reproduction of such reproduction shall likewise be admissible in evidence. This Section 19 shall not prohibit the Company or any other holder of Notes from contesting any such reproduction to the same extent that it could contest the original, or from introducing evidence to demonstrate the inaccuracy of any such reproduction.

Section 20. Confidential Information.

For the purposes of this Section 20, "Confidential Information" means information delivered to you by or on behalf of the Company or any Subsidiary in connection with the transactions contemplated by or otherwise pursuant to this Agreement that is proprietary in nature and that was clearly marked or labeled or otherwise adequately identified when received by you as being confidential information of the Company or such Subsidiary, provided that such term does not include information that (a) was publicly known or otherwise known to you prior to the time of such disclosure, (b) subsequently becomes publicly known through no act or omission by you or any Person acting on your behalf, (c) otherwise becomes known to you other than through disclosure by the Company or any Subsidiary without breach of any obligation of confidentiality owed by a third party to the Company or any Subsidiary of which you have knowledge or (d) constitutes financial statements delivered to you under Section 7.1 that are otherwise publicly available. You will maintain the confidentiality of such Confidential Information in accordance with procedures adopted by you in good faith to protect confidential information of third parties delivered to you but, in any event, in accordance with not less than reasonable care, provided that you may deliver or disclose Confidential Information to (i) your directors, officers, employees, trustees, agents, attorneys and affiliates, (to the extent such disclosure reasonably relates to the administration of the investment represented by your Notes),

(ii) your financial advisors and other professional advisors who agree to hold confidential the Confidential Information substantially in accordance with the terms of this Section 20, (iii) any other holder of any Note, (iv) any Institutional Investor to which you sell or offer to sell such Note or any part thereof or any participation therein (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (v)-any Person from which you offer to purchase any security of the Company (if such Person has agreed in writing prior to its receipt of such Confidential Information to be bound by the provisions of this Section 20), (vi) any federal or state regulatory authority having jurisdiction over you, (vii) the National Association of Insurance Commissioners or any similar organization, or any nationally recognized rating agency that requires access to information about your investment portfolio, or (viii) any other Person to which such delivery or disclosure may be necessary or appropriate (w) to effect compliance with any law, rule, regulation or order applicable to you, (x) in response to any subpoena or other legal process, (y) in connection with any litigation to which you are a party provided that you provide prompt notice (if reasonably possible, prior to such disclosure) to the Company so that the Company may seek an appropriate protective order or other remedy or (z) if an Event of Default has occurred and is continuing, to the extent you may reasonably determine such delivery and disclosure to be necessary or appropriate in the enforcement or for the protection of the rights and remedies under your Notes and this Agreement. Each holder of a Note, by its acceptance of a Note, will be deemed to have agreed to be bound by and to be entitled to the benefits of this Section 20 as though it were a party to this Agreement. On reasonable request by the Company in connection with the delivery to any holder of a Note of information required to be delivered to such holder under this Agreement or requested by such holder (other than a holder that is a party to this Agreement or its nominee), such holder will enter into an agreement with the Company embodying the provisions of this Section 20.

Section 21. Substitution of Purchaser.

You shall have the right to substitute any one of your Affiliates as the purchaser of the Notes that you have agreed to purchase hereunder, by written notice to the Company, which notice shall be signed by both you and such Affiliate, shall contain such Affiliate's agreement to be bound by this Agreement and shall contain a confirmation by such Affiliate of the accuracy with respect to it of the representations set forth in Section 6. Upon receipt of such notice, wherever the word "you" is used in this Agreement (other than in this Section 21), such word shall be deemed to refer to such Affiliate in lieu of you. In the event that such Affiliate is so substituted as a purchaser hereunder and such Affiliate thereafter transfers to you all of the Notes then held by such Affiliate, upon receipt by the Company of notice of such transfer, wherever the word "you" is used in this Agreement (other than in this Section 21), such word shall no longer be deemed to refer to such Affiliate, but shall refer to you, and you shall have all the rights of an original holder of the Notes under this Agreement.

Section 22. Miscellaneous.

Section 22.1. Successors and Assigns. All covenants and other agreements contained in this Agreement by or on behalf of any of the parties hereto bind and inure to the benefit of their respective successors and assigns (including, without limitation, any subsequent holder of a Note) whether so expressed or not.

Section 22.2. Payments Due on Non-Business Days. Anything in this Agreement or the Notes to the contrary notwithstanding, any payment of principal of or Make-Whole Amount or interest on any Note that is due on a date other than a Business Day shall be made on the next succeeding Business Day without including the additional days elapsed in the computation of the interest payable on such next succeeding Business Day.

Section 22.3. Severability. Any provision of this Agreement that is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall (to the full extent permitted by law) not invalidate or render unenforceable such provision in any other jurisdiction

Section 22.4. Construction. Each covenant contained herein shall be construed (absent express provision to the contrary) as being independent of each other covenant contained herein, so that compliance with any one covenant shall not (absent such an express contrary provision) be deemed to excuse compliance with any other covenant. Where any provision herein refers to action to be taken by any Person, or which such Person is prohibited from taking, such provision shall be applicable whether such action is taken directly or indirectly by such Person.

Section 22.5. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be an original but all of which together shall constitute one instrument. Each counterpart may consist of a number of copies hereof, each signed by less than all, but together signed by all, of the parties hereto.

Section 22.6. Governing Law. This Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the law of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

* * * * *

If you are in agreement with the foregoing, please sign the form of agreement on the accompanying counterpart of this Agreement and return it to the Company, whereupon the foregoing shall become a binding agreement between you and the Company.

Very truly yours,

DENTSPLY International Inc.

By_____
[Title]

The foregoing is hereby agreed to as of the date thereof.

[Add Purchaser Signature Blocks]

Schedule A
(to Note Purchase Agreement)
Information Relating to Purchasers

Name and Address of Purchaser	Principal Amount of Notes to Be Purchased
	JPY 1,559,375,000

Massachusetts Mutual Life
Insurance Company
c/o David L. Babson & Company Inc.
1295 State Street
Springfield, MA 01111
Attn: Securities Investment Division

Payments

All payments on account of the Note shall be made by crediting in the form of bank wire transfer of immediately available funds in Japanese Yen, (identifying each payment as DENTSPLY International Inc., interest and principal), to:

Chase Manhattan Bank, N.A.
4 Chase Metro Tech Center
New York, NY 10081
ABA No. 021000021
For MassMutual Pension Management
Account No. 910-2594018
Re: Description of security, principal and interest split

With telephone advice of payment to the Securities Custody and Collection Department of David L. Babson & Company Inc. at (413) 744-5104 or (413) 744-5718

Notices

1. Send Communications and Notices to:

Massachusetts Mutual Life Insurance Company
c/o David L. Babson & Company Inc.
1295 State Street
Springfield, MA 01111
Attn: Securities Investment Division

2. Send Notices on Payments to:

Massachusetts Mutual Life Insurance Company
c/o David L. Babson & Company Inc.
1295 State Street
Springfield, MA 01111
Attn: Securities Custody and Collection Department - F381

Tax Identification No. 04-1590850

D6

Name and Address of Purchaser	Principal Amount of Notes to Be Purchased
Massachusetts Mutual Life Insurance Company c/o David L. Babson & Company Inc. 1295 State Street Springfield, MA 01111 Attn: Securities Investment Division	JPY 237,025,000

Payments

All payments on account of the Note shall be made by crediting in the form of bank wire transfer of immediately available funds in Japanese Yen (identifying each payment as DENTSPLY International Inc., interest and principal), to:

Citibank, N.A.
111 Wall Street
New York, NY 10043
ABA No. 021000089
For MassMutual Spot Priced Contract
Account No. 3890-4953
Re: Description of security, principal and interest split

With telephone advice of payment to the Securities Custody and Collection Department of David L. Babson & Company Inc. at (413) 744-5104 or (413) 744-5718

Notices

1. Send Communications and Notices to:

Massachusetts Mutual Life Insurance Company
c/o David L. Babson & Company Inc.
1295 State Street
Springfield, MA 01111
Attn: Securities Investment DivisionAttention:
Securities Custody and Collection Department - F381

2. Send Notices on Payments to:

Massachusetts Mutual Life Insurance Company
c/o David L. Babson & Company Inc.
1295 State Street
Springfield, MA 01111
Attn: Securities Custody and Collection Department - F381

Tax Identification No. 04-1590850

Name and Address of Purchaser	Principal Amount of Notes to Be Purchased
Massachusetts Mutual Life Insurance Company c/o David L. Babson & Company Inc. 1295 State Street Springfield, MA 01111 Attn: Securities Investment Division	JPY 1,322,350,000

Payments

All payments on account of the Note shall be made by crediting in the form of bank wire transfer of immediately available funds in Japanese Yen, (identifying each payment as DENTSPLY International Inc., interest and principal), to:

Citibank, N.A.
111 Wall Street
New York, NY 10043
ABA No. 021000089
For MassMutual Long-Term Pool
Account No. 4067-3488
Re: Description of security, principal and interest split

With telephone advice of payment to the Securities Custody and Collection Department of David L. Babson & Company Inc. at (413) 744-5104 or (413) 744-5718

Notices

1. Send Communications and Notices to:

Massachusetts Mutual Life Insurance Company
c/o David L. Babson & Company Inc.
1295 State Street
Springfield, MA 01111
Attn: Securities Investment Division

2. Send Notices on Payments to:

Massachusetts Mutual Life Insurance Company
c/o David L. Babson & Company Inc.
1295 State Street
Springfield, MA 01111
Attn: Securities Custody and Collection Department - F381

Tax Identification No. 04-1590850

Name and Address of Purchaser	Principal Amount of Notes to Be Purchased
Nationwide Life Insurance Company One Nationwide Plaza, 33rd Floor Columbus, OH 43215-2220 Attn:	JPY 3,118,750,000

Payments

All payments on account of the Note shall be made by crediting in the form of bank wire transfer of immediately available funds in Japanese Yen (identifying each payment as DENTSPLY International Inc., interest and principal), to:

ABN AMRO Bank, Tokyo
Swift Code ABNAJPJT
Account No. 12.23.499 JPY
Ref: Derivatives Operations
Ref Inf# 120142
PPN#_____
Security Description _____

Notices

1. Send Communications and Notices to:
Nationwide Life Insurance Company
One Nationwide Plaza (1-33-07)
Columbus OH 43215-2220
Attention: Corporate Fixed-Income Securities
Facsimile: (614) 249-4553

2. Send Notices on Payments to:
Nationwide Life Insurance Company
c/o The Bank of New York
P.O. Box 19266
Attn: P&I Department
Newark, NJ 07195

with a copy to:

Nationwide Life Insurance Company
Attn: Investment Accounting
One Nationwide Plaza (1-32-05)
Columbus, OH 43215-2220

Tax Identification No. 31-4156830

Schedule B
(to Note Purchase Agreement)

Defined Terms

As used herein, the following terms have the respective meanings set forth below or set forth in the Section hereof following such term:

"Affiliate" means, at any time, and with respect to any Person, (a) any other Person that at such time directly or indirectly through one or more intermediaries Controls, or is Controlled by, or is under common Control with, such first Person, and (b) any Person beneficially owning or holding, directly or indirectly, 10% or more of any class of voting or equity interests of the Company or any Subsidiary or any corporation of which the Company and its Subsidiaries beneficially own or hold, in the aggregate, directly or indirectly, 10% or more of any class of voting or equity interests. As used in this definition, "Control" means the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. Unless the context otherwise clearly requires, any reference to an "Affiliate" is a reference to an Affiliate of the Company.

"Annual Percentage of Assets Transferred" means, with respect to any fiscal year of the Company, the sum of the Percentages of Assets Transferred for each asset of the Company and its Subsidiaries that is Transferred during such fiscal year.

"Annual Percentage of Earnings Capacity Transferred" means, with respect to any fiscal year of the Company, the sum of the Percentages of Earnings Capacity Transferred for each asset of the Company and its Subsidiaries that is Transferred during such fiscal year.

"Anti-Terrorism Order" means Executive Order No.13,224 of September 24, 2001, Blocking Property and Prohibiting Transactions With Persons Who Commit, Threaten to Commit, or Support Terrorism, 66 Fed. Reg. 49,049 (2001).

"Bank Agreements" means (a) the $250,000,000 Facility A 364-Day Competitive Advance, Revolving Credit and Guaranty Agreement dated as of May 25, 2001, among the Company and the other Persons named as parties thereto, as amended or otherwise modified from time to time and (b) the $250,000,000 Five-Year Competitive Advance, Revolving Credit and Guaranty Agreement dated as of May 25, 2001 among the Company and the other Persons named as parties thereto, as amended or otherwise modified from time to time.

"Brazilian Receivables Program" means the sale by Subsidiaries to Brazilian banks of Dollar denominated receivables from the Company and Subsidiaries arising in the ordinary course of business, the aggregate outstanding face amount of which shall at no time exceed $1,000,000.

"Business Day" means (a) for the purposes of Section 8.6 only, any day other than a Saturday, a Sunday or a day on which commercial banks in New York City or Tokyo are required or authorized to be closed, and (b) for the purposes of any other provision of this Agreement, any day other than a Saturday, a Sunday or a day on which commercial banks in New York are required or authorized to be closed.

"Capital Lease" means, at any time, a lease with respect to which the lessee is required concurrently to recognize the acquisition of an asset and the incurrence of a liability in accordance with GAAP.

"Capitalized Lease Obligation" means any rental obligation which, under generally accepted accounting principles, is or will be required to be capitalized on the books of the lessee thereunder, taken at the amount thereof accounted for as indebtedness (net of interest expenses) in accordance with such principles.

"Closing" is defined in Section 3.

"Code" means the Internal Revenue Code of 1986, as amended from time to time, and the rules and regulations promulgated thereunder from time to time.

"Company" means DENTSPLY International Inc., a Delaware corporation.

"Competitor" means any Person who is substantially engaged in a business in which the Company or any Material Subsidiary is substantially engaged provided that:

(a) the provision of investment advisory services by a Person to a Plan which is owned or controlled by a Person which would otherwise be a Competitor shall not of itself cause the Person providing such services to be deemed to be a Competitor if such Person has established procedures which will prevent confidential information supplied to such Person by the Company from being transmitted or otherwise made available to such Plan or Person owning or controlling such Plan; and

(b) in no event shall an Institutional Investor be deemed a Competitor.

"Confidential Information" is defined in Section 20.

"Consolidated Capitalization" means, at any time of determination thereof, the sum of Consolidated Net Worth and Consolidated Debt.

"Consolidated Debt" means, at any time of determination thereof, all Debt of the Company and Subsidiaries on a consolidated basis.

"Consolidated EBITDA" means, for any period, income (or loss) from operations of the Company and Subsidiaries on a consolidated basis plus, to the extent deducted in the calculation thereof, depreciation and amortization; provided that there shall be excluded:

(a) the income (or loss) from operations of any Person for any period prior to the date it becomes a Subsidiary or is merged into or consolidated with the Company or a Subsidiary, and

(b) the income from operations of any Person (other than a Subsidiary) in which the Company or any Subsidiary has an ownership interest, except to the extent that any such income has actually been received by the Company or any Subsidiary in the form of cash dividends or similar distributions.

"Consolidated Interest Expense" means, for any period, for the Company and its Subsidiaries on a consolidated basis, (a) interest expense, plus (b) all amortization of debt discount and expense, less (c) interest income.

"Consolidated Net Income" means, for any period, the net income (or net loss) of the Company and its Subsidiaries on a consolidated basis, calculated without giving effect to:

(a) the net income (or net loss) of any Person for any period prior to the date it becomes a Subsidiary or is merged into or consolidated with the Company or a Subsidiary; or

(b) the net income of any Person (other than a Subsidiary) in which the Company or any Subsidiary has an ownership interest, except to the extent that any such income has actually been received by the Company or any Subsidiary in the form of cash dividends or similar distributions.

"Consolidated Net Worth" means, at any time of determination thereof, the sum of (a) capital stock (less treasury stock), (b) additional paid-in capital and (c) retained earnings (or accumulated deficit) of the Company and Subsidiaries on a consolidated basis.

"Debt" shall mean with respect to any Person (without duplication):

(a) all obligations of such Person for borrowed money and mandatorily redeemable preferred stock;

(b) all obligations of such Person evidenced by bonds, debentures, notes or similar instruments;

(c) all obligations of such Person upon which interest charges are customarily paid;

(d) all obligations of such Person under conditional sale or other title retention agreements relating to property or assets purchased by such Person;

(e) all obligations of such Person issued or assumed as the deferred and unpaid purchase price of property or services (excluding trade accounts payable and accrued obligations incurred in the ordinary course of business that are not more than 90 days past due);

(f) all obligations secured by any Lien or other charge upon property or assets owned by such Person, whether or not such Person has assumed or become liable for the payment of such obligations,

(g) Capitalized Lease Obligations of such Person;

(h) all obligations of such Person in respect of interest rate protection agreements, foreign currency exchange agreements or other interest or exchange rate hedging arrangements;

(i) all obligations of such Person as an account party in respect of letters of credit, bankers' acceptances or instruments serving a similar function issued or accepted for its account by banks and other financial institutions (whether or not representing obligations for borrowed money); and

(j) all Guarantees of such Person with respect to Debt of another Person.

"Default" means an event or condition the occurrence or existence of which would, with the lapse of time or the giving of notice or both, become an Event of Default.

"Default Rate" means that rate of interest per annum that is the greater of (a) 1.0% per annum above the rate of interest stated in clause (a) of the first paragraph of the Notes or (b) 1.0% over the rate of interest publicly announced by The Bank of Japan, in Tokyo, Japan as its "base" or "prime" (or the equivalent thereof in Japan) rate.

"Designated Country" means the United States of America and member states of the European Union on the date hereof (other than Turkey or Greece), Canada or Japan.

"Dollars" and "$" means the lawful currency of the United States of America.

"Environmental Laws" means any and all Federal, state, local, and foreign statutes, laws, regulations, ordinances, rules, judgments, orders, decrees, permits, concessions, grants, franchises, licenses, agreements or governmental restrictions relating to pollution and the protection of the environment or the release of any materials into the environment, including but not limited to those related to hazardous substances or wastes, air emissions and discharges to waste or public systems.

"ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the rules and regulations promulgated thereunder from time to time in effect.

"ERISA Affiliate" means any trade or business (whether or not incorporated) that is treated as a single employer together with the Company under Section 414 of the Code.

"Event of Default" is defined in Section 11.

"Exchange Act" means the Securities Exchange Act of 1934, as amended.

"GAAP" means generally accepted accounting principles as in effect from time to time in the United States of America.

"Governmental Authority" means

(a) the government of

(i) the United States of America or any State or other political subdivision thereof, or

(ii) any jurisdiction in which the Company or any Subsidiary conducts all or any part of its business, or which asserts jurisdiction over any properties of the Company or any Subsidiary, or

(b) any entity exercising executive, legislative, judicial, regulatory or administrative functions of, or pertaining to, any such government.

"Group" means the Company and its Subsidiaries.

"Guarantee Agreement" and "Guarantee Agreements" is defined in Section 1(b).

"Guaranty" means, with respect to any Person, any obligation (except the endorsement in the ordinary course of business of negotiable instruments for deposit or collection) of such Person guaranteeing or in effect guaranteeing any indebtedness, dividend or other obligation of any other Person in any manner, whether directly or indirectly, including (without limitation) obligations incurred through an agreement, contingent or otherwise, by such Person:

(a) to purchase such indebtedness or obligation or any property constituting security therefor;

(b) to advance or supply funds (i) for the purchase or payment of such indebtedness or obligation, or (ii) to maintain any working capital or other balance sheet condition or any income statement condition of any other Person or otherwise to advance or make available funds for the purchase or payment of such indebtedness or obligation;

(c) to lease properties or to purchase properties or services primarily for the purpose of assuring the owner of such indebtedness or obligation of the ability of any other Person to make payment of the indebtedness or obligation; or

(d) otherwise to assure the owner of such indebtedness or obligation against loss in respect thereof.

In any computation of the indebtedness or other liabilities of the obligor under any Guaranty, the indebtedness or other obligations that are the subject of such Guaranty shall be assumed to be direct obligations of such obligor.

"holder" means, with respect to any Note, the Person in whose name such Note is registered in the register maintained by the Company pursuant to Section 13.1.

"Institutional Investor" means (a) any original purchaser of a Note, (b) any holder of a Note holding more than 5% of the aggregate principal amount of the Notes then outstanding, and (c) any bank, trust company, savings and loan association or other financial institution, any pension plan, any investment company, any insurance company, any broker or dealer, or any other similar financial institution or entity, regardless of legal form.

"JPY" or "Japanese Yen" means the lawful currency of Japan.

"Lien" means, with respect to any Person, any mortgage, lien, pledge, charge, security interest or other encumbrance, or any interest or title of any vendor, lessor, lender or other secured party to or of such Person under any conditional sale or other title retention agreement or Capital Lease, upon or with respect to any property or asset of such Person (including in the case of stock, stockholder agreements, voting trust agreements and all similar arrangements).

"Make-Whole Amount" is defined in Section 8.6.

"Material" means material in relation to the business, operations, affairs, financial condition, assets, or properties of the Company and its Subsidiaries taken as a whole.

"Material Adverse Effect" means a material adverse effect on (a) the business, operations, affairs, financial condition, assets or properties of the Company and its Subsidiaries taken as a whole, or (b) the ability of the Company to perform its obligations under this Agreement and the Notes, or (c) the validity or enforceability of this Agreement or the Notes.

"Material Subsidiary" means any Subsidiary (a) which provided 5% or more of Consolidated Net Income during the fiscal year of the Company most recently ended at any time of determination, (b) whose tangible assets represented 5% or more of the tangible assets of the Company and Subsidiaries on a consolidated basis as of the last day of the fiscal year of the Company most recently ended at any time of determination, or (c) whose net worth represented 5% or more of Consolidated Net Worth as of the last day of the fiscal year of the Company most recently ended at any time of determination; provided that, if at any time the aggregate amount of net income, tangible assets or net worth of all Subsidiaries incorporated or otherwise organized in the United States that are not Material Subsidiaries exceeds 15% of Consolidated Net Income for any such fiscal year, 15% of the consolidated tangible assets of the Company and Subsidiaries as of the end of any such fiscal year or 15% of Consolidated Net Worth as of the end of any such fiscal year (as applicable), the Company shall designate as "Material Subsidiaries" Subsidiaries incorporated or otherwise organized in the United States sufficient to eliminate such excess, and such designated Subsidiaries incorporated in the United States shall for all purposes of this Agreement constitute Material Subsidiaries.

"Memorandum" is defined in Section 5.3.

"Multiemployer Plan" means any Plan that is a "multiemployer plan" (as such term is defined in section 4001(a)(3) of ERISA).

"Notes" is defined in Section 1.

"Officer's Certificate" means a certificate of a Senior Financial Officer or of any other officer of the Company whose responsibilities extend to the subject matter of such certificate.

"Other Agreements" is defined in Section 2.

"Other Currency" is defined in Section 14.3.

"Other Purchasers" is defined in Section 2.

"PBGC" means the Pension Benefit Guaranty Corporation referred to and defined in ERISA or any successor thereto.

"Percentage of Assets Transferred" means, with respect to each asset Transferred pursuant to clause (ii) of Section 10.7(b) and Section 10.8, the ratio (expressed as a percentage) of (a) the greater of such asset's fair market value or book value on the date of such Transfer to (b) the consolidated total assets of the Company and Subsidiaries on the last day of the fiscal year most recently ended as of the date of such Transfer.

"Percentage of Earnings Capacity Transferred" means, with respect to each asset Transferred pursuant to clause (i) of Section 10.7(b) or Section 10.8, the percentage of Consolidated EBITDA produced by, or attributable to, such asset during the fiscal year most recently ended prior to the date of such Transfer.

"Person" means an individual, partnership, corporation, limited liability company, association, trust, unincorporated organization, or a government or agency or political subdivision thereof.

"Plan" means an "employee benefit plan" (as defined in section 3(3) of ERISA) that is or, within the preceding five years, has been established or maintained, or to which contributions are or, within the preceding five years, have been made or required to be made, by the Company or any ERISA Affiliate or with respect to which the Company or any ERISA Affiliate may have any liability.

"Preferred Stock" means any class of capital stock of a corporation that is preferred over any other class of capital stock of such corporation as to the payment of dividends or the payment of any amount upon liquidation or dissolution of such corporation.

"Priority Debt" means, at any time of determination thereof, without duplication, (a) Debt of the Company secured by Liens not otherwise permitted by clauses (a) through (i) of Section 10.6, plus (b) Debt of Subsidiaries (other than (i) Debt of any Subsidiary owed to the Company or any Wholly-owned Subsidiary and (ii) Debt of any Subsidiary so long as such Subsidiary is a Subsidiary Guarantor and the creditor with respect to such Debt has entered into an Intercreditor Agreement with the holders of the Notes on the same terms and conditions as the intercreditor agreement as in effect on the date hereof between the holders of the Prudential Obligations and the Debt outstanding under the Bank Agreements, provided, however, that the foregoing requirement of an Intercreditor Agreement shall not apply to the Subsidiary Guarantors which are, as of the date hereof, guarantors of the Prudential Obligations or the Debt under the Bank Agreements and (iii) the Guarantee Agreements) plus (c) the book value (at the time of sale) of all assets sold by the Company and Subsidiaries subsequent to March 1, 2001 which were the subject of a Sale and Leaseback Transaction (other than a Sale-Leaseback Transaction permitted by Section 10.7(a)).

"property" or "properties" means, unless otherwise specifically limited, real or personal property of any kind, tangible or intangible, choate or inchoate.

"Prudential Obligations" means the obligations at any time of the Company under and pursuant to that certain Agreement dated as of March 1, 2001 between the Company and The Prudential Insurance Company of America and each Prudential Affiliate (as defined therein) which becomes bound by such Agreement and any senior promissory notes issued and sold under and pursuant to such Agreement and then outstanding.

"QPAM Exemption" means Prohibited Transaction Class Exemption 84-14 issued by the United States Department of Labor.

"Required Holders" means, at any time, the holders of at least 51% in principal amount of the Notes at the time outstanding (exclusive of Notes then owned by the Company or any of its Affiliates).

"Responsible Officer" means any Senior Financial Officer and any other officer of the Company with responsibility for the administration of the relevant portion of this Agreement.

"Securities Act" means the Securities Act of 1933, as amended from time to time.

"Senior Financial Officer" means the chief financial officer, principal accounting officer, treasurer or comptroller of the Company.

"Specified Currency" is defined in Section 14.3.

"Subsidiary" means, as to any Person, any corporation, association or other business entity in which such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries owns sufficient equity or voting interests to enable it or them (as a group) ordinarily, in the absence of contingencies, to elect a majority of the directors (or Persons performing similar functions) of such entity, and any partnership or joint venture if more than a 50% interest in the profits or capital thereof is owned by such Person or one or more of its Subsidiaries or such Person and one or more of its Subsidiaries (unless such partnership can and does ordinarily take major business actions without the prior approval of such Person or one or more of its Subsidiaries). Unless the context otherwise clearly requires, any reference to a "Subsidiary" is a reference to a Subsidiary of the Company.

"Subsidiary Guarantor" means the companies listed on Exhibit 1(b) and any other Subsidiary that may from time to time execute and deliver a Guarantee Agreement and which Guarantee Agreement has not been terminated in accordance with the terms thereof.

"Swaps" means, with respect to any Person, payment obligations with respect to interest rate swaps, currency swaps and similar obligations obligating such Person to make payments, whether periodically or upon the happening of a contingency. For the purposes of this Agreement, the amount of the obligation under any Swap shall be the amount determined in respect thereof as of the end of the then most recently ended fiscal quarter of such Person, based on the assumption that such Swap had terminated at the end of such fiscal quarter, and in making such determination, if any agreement relating to such Swap provides for the netting of amounts payable by and to such Person thereunder or if any such agreement provides for the simultaneous payment of amounts by and to such Person, then in each such case, the amount of such obligation shall be the net amount so determined.

"Wholly-Owned Subsidiary" means, at any time, any Subsidiary one hundred percent (100%) of all of the equity interests (except directors' qualifying shares) and voting interests of which are owned by any one or more of the Company and the Company's other Wholly-Owned Subsidiaries at such time.

Exhibit 1(a)
(to Note Purchase Agreement)

[Form of Note]

DENTSPLY International Inc.

1.39% Guaranteed Senior Note Due December 28, 2005

No. [_____] [Date]

JPY [_____] PPN 249030 B* 7

For Value Received, the undersigned, DENTSPLY International Inc. (herein called the "Company"), a corporation organized and existing under the laws of the State of Delaware, hereby promises to pay to [_____], or registered assigns, the principal sum of JPY [_____] on [_____, ____], with interest (computed on the basis of a 360-day year of twelve 30-day months) (a) on the unpaid balance thereof at the rate of 1.39% per annum from the date hereof, payable semiannually, on the twenty-eighth (28th) day of June and December in each year, commencing with the June 28th or December 28th next succeeding the date hereof, until the principal hereof shall have become due and payable, and (b) to the extent permitted by law on any overdue payment (including any overdue prepayment) of principal, any overdue payment of interest and any overdue payment of any Make-Whole Amount (as defined in the Note Purchase Agreements referred to below), payable semiannually as aforesaid (or, at the option of the registered holder hereof, on demand), at a rate per annum from time to time equal to the greater of (i) 2.39% or (ii) 1.0% over the rate of interest publicly announced by [The Bank of Japan] from time to time in Tokyo, Japan as its "base" or "prime" (or the equivalent thereof in Japan) rate.

Payments of principal of, interest on and any Make-Whole Amount with respect to this Note are to be made in lawful money of Japan at The Chase Manhattan Bank, New York, New York or at such other place as the Company shall have designated by written notice to the holder of this Note as provided in the Note Purchase Agreements referred to below.

This Note is one of a series of Guaranteed Senior Notes (herein called the "Notes") issued pursuant to separate Note Purchase Agreements, dated as of December 28, 2001 (as from time to time amended, the "Note Purchase Agreements"), between the Company and the respective Purchasers named therein and is entitled to the benefits thereof. The obligations of the Company under this Note and the Note Purchase Agreements are guaranteed pursuant to the Guarantee Agreements. Each holder of this Note will be deemed, by its acceptance hereof, (i) to have agreed to the confidentiality provisions set forth in Section 20 of the Note Purchase Agreements and (ii) to have made the representations set forth in Section 6.2 of the Note Purchase Agreements.

This Note is a registered Note and, as provided in the Note Purchase Agreements, upon surrender of this Note for registration of transfer, duly endorsed, or accompanied by a written instrument of transfer duly executed, by the registered holder hereof or such holder's attorney duly authorized in writing, a new Note for a like principal amount will be issued to, and registered in the name of, the transferee. Prior to due presentment for registration of transfer, the Company may treat the person in whose name this Note is registered as the owner hereof for the purpose of receiving payment and for all other purposes, and the Company will not be affected by any notice to the contrary.

The Company will make required prepayments of principal on the dates and in the amounts specified in the Note Purchase Agreements. This Note is also subject to optional prepayment, in whole or from time to time in part, at the times and on the terms specified in the Note Purchase Agreements, but not otherwise.

If an Event of Default, as defined in the Note Purchase Agreements, occurs and is continuing, the principal of this Note may be declared or otherwise become due and payable in the manner, at the price (including any applicable Make-Whole Amount) and with the effect provided in the Note Purchase Agreements.

This Note shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the State of New York excluding choice-of-law principles of the law of such State that would require the application of the laws of a jurisdiction other than such State.

DENTSPLY International Inc.

By_____
[Title:]

Exhibit 4(a)
(to Note Purchase Agreement)

Form of Opinion of Counsel
to the Company

D6

Exhibit 4.4(b)
(to Note Purchase Agreement)
Form of Opinion of Special Counsel
to the Purchasers

D6

Schedule 4.9
(to Note Purchase Agreement)

Degussa Acquisition

On October 2, 2001, DENTSPLY announced that it had acquired several German and International Degussa Group companies which together constitute the entire dental business of the Degussa Group (together referred to as "Degussa Dental"). The price paid for the Degussa Dental Acquisition was (euro)576 million (approximately equal to U.S. $530 million based on the exchange rate at the time of closing).

Degussa Dental designs, develops and manufactures a broad range of dental products and complete system solutions used in preventative, restorative and orthodontic treatment by dental laboratories, dentists, orthodontists and oral surgeons.

Schedule 4.10
(to Note Purchase Agreement)

Guarantors

Ceramco Inc.
Ceramco Manufacturing Co.
DENTSPLY Finance Co.
DENTSPLY International Preventive Care Division L.P.
DENTSPLY Research & Development Corp.
G.A.C. International, Inc.
Midwest Dental Products Corporation
Ransom & Randolph Company
Tulsa Dental Products Inc.

Schedule 5.8
(to Note Purchase Agreement)

Litigation

None.

Schedule 5.11
(to Note Purchase Agreement)

Licenses, Permits, Etc.

None.

Schedule 5.15
(to Note Purchase Agreement)

Existing Debt

D6

EXHIBIT 4.5(a)

CONFORMED COPY

DATED 13th DECEMBER, 2001

DENTSPLY INTERNATIONAL INC.

Euro 350,000,000 5.75 per cent. Notes due 2006

AGENCY AGREEMENT

ALLEN & OVERY
London

D7

CONTENTS

D7

DENTSPLY INTERNATIONAL INC.

Euro 350,000,000 5.75 per cent. Notes due 2006

AGENCY AGREEMENT

THIS AGREEMENT is dated 13th December, 2001 and made

BETWEEN:

(1) DENTSPLY INTERNATIONAL INC. (the "Issuer"); and

(2) CITIBANK, N.A. (the "Fiscal Agent", which expression shall include any successor agent appointed under clause 17, and, together with any Paying Agent or Paying Agents that may be appointed from time to time under clause 17, the "Paying Agents" and each a "Paying Agent").

WHEREAS:

(A) The Issuer has agreed to issue Euro 350,000,000 5.75 per cent. Notes due 2006 (the "Notes", which expression shall include, unless the context otherwise requires, any further Notes issued pursuant to Condition 13 and forming a single series with the Notes).

(B) The Notes will be issued in bearer form in the denominations of Euro 1,000, (euro)10,000 and Euro 100,000 each with interest coupons ("Coupons") attached on issue.

(C) The Notes will initially be represented by a temporary Global Note (the "Temporary Global Note") in or substantially in the form set out in Part I of Schedule 1 which will be exchanged in accordance with its terms for a permanent Global Note (the "Permanent Global Note" and, together with the Temporary Global Note, the "Global Notes") in or substantially in the form set out in Part II of Schedule 1. The Permanent Global Note will be exchanged for the Notes in definitive form only in the limited circumstances set out therein.

(D) The definitive Notes and Coupons will be in or substantially in the respective forms set out in Part I of Schedule 2. The Conditions of the Notes will be in or substantially in the form set out in Part II of Schedule 2.

IT IS AGREED:

1. Definitions and Interpretation

(1) In this Agreement and in the Conditions:

"Clearstream, Luxembourg" means Clearstream Banking, societe anonyme;

"Conditions" means the terms and conditions endorsed on the Notes and being in or substantially in the form set out in Part II of Schedule 2;

"Coupon" means an interest coupon appertaining to a Definitive Note, the coupon being in the form or substantially in the form set out in Part I of Schedule 2;

"Couponholders" means the several persons who are for the time being holders of the Coupons;

"Definitive Note" means a Note in definitive form issued or, as the case may require, to be issued by the Issuer in accordance with the provisions of this Agreement and/or the Conditions in exchange for all or part of a Global Note, the Definitive Note being in or substantially in the form set out in Part I of Schedule 2 and having the Conditions endorsed on it and having Coupons attached to it on issue;

"Euroclear Bank" means Euroclear Bank S.A./N.V. as operator of the Euroclear System;

"Noteholders" means the several persons who are for the time being the bearers of Notes save that, in respect of the Notes or any part of them that are represented by a Global Note held on behalf of Euroclear Bank and Clearstream, Luxembourg each person (other than Euroclear Bank or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear Bank or of Clearstream, Luxembourg as the holder of a particular nominal amount of the Notes (in which regard any certificate or other document issued by Euroclear Bank or Clearstream, Luxembourg as to the nominal amount of the Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of that nominal amount of Notes (and the bearer of the relevant Global Note shall be deemed not to be the holder) for all purposes other than with respect to the payment of principal or interest on the Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer and any Paying Agent as the holder of the Notes in accordance with and subject to the terms of the relevant Global Note and the expressions "Noteholder", "holder of Notes" and related expressions shall be construed accordingly;

"outstanding" means, in relation to the Notes, all the Notes issued other than:

(a) those Notes which have been redeemed and cancelled pursuant to the Conditions;

(b) those Notes in respect of which the date for redemption in accordance with the Conditions has occurred and the redemption moneys (including all interest payable thereon) have been duly paid to the Fiscal Agent in the manner provided in this Agreement (and where appropriate notice to that effect has been given to the Noteholders in accordance with the Condition 11) and remain available for payment against presentation of the Notes and/or Coupons;

(c) those Notes which have been purchased and cancelled in accordance with Condition 6;

(d) those Notes in respect of which claims have become void or prescribed under Condition 8;

(e)

those mutilated or defaced Notes which have been surrendered and cancelled and in respect of which replacements have been issued pursuant to Condition 10;

(f) (for the purpose only of ascertaining the nominal amount of the Notes outstanding and without prejudice to the status for any other purpose of the relevant Notes) those Notes which are alleged to have been lost, stolen or destroyed and in respect of which replacements have been issued under Condition 10; and

(g) the Temporary Global Note to the extent that it has been exchanged for the Permanent Global Note and the Permanent Global Note to the extent that it has been exchanged for Definitive Notes in each case under their respective provisions,

provided that for the purposes of:

(i) attending and voting at any meeting of the Noteholders or any of them; and

(ii) determining how many and which Notes are for the time being outstanding for the purposes of Condition 12 and paragraphs 2, 5 and 6 of Schedule 4,

those Notes (if any) which are for the time being held by or for the benefit of the Issuer or any Subsidiary of the Issuer shall (unless and until ceasing to be so held) be deemed not to remain outstanding;

"Permanent Global Note" means a global note in the form or substantially in the form set out in Part II of Schedule 1 comprising some or all of the Notes; and

"Temporary Global Note" means a global note in the form or substantially in the form set out in part 1 of Schedule 1 comprising some or all of the Notes.

(2) (a) In this Agreement, unless the contrary intention appears, a reference to:

(i) an "amendment" includes a supplement, restatement or novation and "amended" is to be construed accordingly;

(ii) a "person" includes any individual, company, unincorporated association, government, state agency, international organisation or other entity;

(iii) a provision of a law is a reference to that provision as extended, amended or re-enacted;

(iv) a clause or schedule is a reference to a clause of, or a schedule to, this Agreement;

(v) a person includes its successors and assigns;

(vi) a document is a reference to that document as amended from time to time; and

(vii) a time of day is a reference to London time;

(b) The headings in this Agreement do not affect its interpretation;

(c) Terms defined in the Conditions and not otherwise defined in this Agreement shall have the same meanings in this Agreement, except where the context otherwise requires;

(d) All references in this Agreement to commissions, fees, costs, charges or expenses shall include any value added tax or similar tax charged or chargeable in respect thereof;

(e) All references in this Agreement to Notes shall, unless the context otherwise requires, include any Global Note representing the Notes;

(f) All references in this Agreement to principal and/or interest or both in respect of the Notes or to any moneys payable by the Issuer under this Agreement shall be construed in accordance with Condition 5; and

(g) All references in this Agreement to Euroclear Bank and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system approved by the Issuer and the Fiscal Agent.

2. Appointment of Agents

(1) The Fiscal Agent is appointed, and the Fiscal Agent agrees to act, as agent of the Issuer, upon the terms and subject to the conditions set out in this Agreement, for the following purposes:

(a) exchanging the Temporary Global Note for the Permanent Global Note or Definitive Notes, as the case may be, in accordance with the terms of the Temporary Global Note and making all notations on the Temporary Global Note required by its terms;

(b) exchanging the Permanent Global Note for Definitive Notes in accordance with the terms of the Permanent Global Note and making all notations on the Permanent Global Note required by its terms;

(c) paying sums due on the Global Notes, Definitive Notes and Coupons;

(d) arranging on behalf of and at the expense of the Issuer for notices to be communicated to the Noteholders in accordance with the Conditions; and

(e) performing all other obligations and duties imposed upon it by the Conditions and this Agreement.

(2) Each Paying Agent is appointed, and each Paying Agent agrees to act, as paying agent of the Issuer, upon the terms and subject to the conditions set out below, for the purposes of paying sums due on any Notes and Coupons and performing all other obligations and duties imposed upon it by the Conditions and this Agreement.

(3) The obligations of the Paying Agents under this Agreement are several and not joint.

3. Authentification and Delivery of Notes

(1) The Issuer undertakes that the Permanent Global Note (duly executed on behalf of the Issuer) will be available to be exchanged for interests in the Temporary Global Note in accordance with the terms of the Temporary Global Note.

(2) In the event that the Permanent Global Note is required to be exchanged in accordance with its terms, the Issuer undertakes that it will deliver to, or to the order of, the Fiscal Agent, Definitive Notes (with Coupons attached) in an aggregate principal amount of Euro 350,000,000 or such lesser amount as is the principal amount of Notes then represented by the Permanent Global Note. Each Definitive Note and Coupon so delivered shall be duly executed on behalf of the Issuer.

(3) The Issuer authorises and instructs the Fiscal Agent to authenticate the Global Notes and any Definitive Notes.

(4) The Issuer authorises and instructs the Fiscal Agent to cause interests in the Temporary Global Note to be exchanged for interests in the the Permanent Global Note or for Definitive Notes, as the case may be, and interests in the Permanent Global Note to be exchanged for Definitive Notes in accordance with their respective terms. Following the exchange of the last interest in a Global Note, the Fiscal Agent shall cause that Global Note to be cancelled and delivered to the Issuer or as it may direct.

(5) The Fiscal Agent shall cause all Notes delivered to and held by it under this Agreement to be maintained in safe custody and shall ensure that interests in the Temporary Global Note are only exchanged for interests in the Permanent Global Note in accordance with the terms of the Temporary Global Note and this Agreement and that the Definitive Notes are issued only in accordance with the terms of the Permanent Global Note and this Agreement.

(6) So long as any of the Notes is outstanding the Fiscal Agent shall, within seven days of any request by the Issuer, certify to the Issuer the number of Definitive Notes held by it under this Agreement. In no event may (i) a Permanent Global Note issued in exchange for an interest in a Temporary Global Note or (ii) Definitive Notes issued in exchange for interests in a Temporary Global Note or a Permanent Global Note be mailed to an address within or otherwise delivered with the United States or its possessions (including, for this purpose, Puerto Rice, Guam, American Samoa, Wake island, the U.S. Virgin Islands and the Northern Mariana Islands).

4. Payments

(1) The Issuer will, before 10.00 a.m. (London time), on each date on which any payment in respect of any Note becomes due under the Conditions, transfer to an account specified by the Fiscal Agent such amount of euro as shall be sufficient for the purposes of the payment.

(2) Any funds paid by or by arrangement with the Issuer to the Fiscal Agent under subclause (1) shall be held in the relevant account referred to in subclause (1) for payment to the Noteholders or Couponholders, as the case may be, until any Notes or Coupons become void under Condition 8. In that event the Fiscal Agent shall repay to the Issuer sums equivalent to the amounts which would otherwise have been payable on the relevant Notes or Coupons.

(3)

The Issuer will ensure that no later than 10.00 a.m. (London time) on the second Business Day (as defined below) immediately preceding the date on which any payment is to be made to the Fiscal Agent under subclause (1), the Fiscal Agent shall receive a payment confirmation from the paying bank of the Issuer. For the purposes of this subclause, "Business Day" means a day on which commercial banks and foreign exchange markets settle payments and are open for general business in the United States and London.

(4) The Fiscal Agent shall notify each of the other Paying Agents immediately:

(a) if it has not by the relevant date set out in clause 4(1) received unconditionally the full amount in euro required for the payment; and

(b) if it receives unconditionally the full amount of any sum payable in respect of the Notes or Coupons after such date.

The Fiscal Agent shall, at the expense of the Issuer, immediately on receiving any amount as described in subparagraph (b), cause notice of that receipt to be published under Condition 11.

(5) The Fiscal Agent shall ensure that payments of both principal and interest in respect of the Temporary Global Note will only be made if certification of non-U.S. beneficial ownership as required by U.S. Treasury regulations (in the form set out in the Temporary Global Note) has been received from Euroclear Bank and/or Clearstream, Luxembourg in accordance with the terms of the Temporary Global Note.

(6) Unless it has received notice under subclause (4)(a), each Paying Agent shall pay or cause to be paid all amounts due in respect of the Notes on behalf of the Issuer in the manner provided in the Conditions. If any payment provided for in subclause (1) is made late but otherwise in accordance with the provisions of this Agreement, the relevant Paying Agent shall nevertheless make payments in respect of the Notes as stated above following receipt by it of such payment.

(7) If for any reason the Fiscal Agent considers in its sole discretion that the amounts to be received by it under subclause (1) will be, or the amounts (in same day cleared funds) actually received by it are, insufficient to satisfy all claims in respect of all payments then falling due in respect of the Notes, no Paying Agent shall be obliged to pay any such claims until the Fiscal Agent has received the full amount of all such payments.

(8) Without prejudice to subclauses (6) and (7), if the Fiscal Agent pays any amounts to the holders of Notes or Coupons or to any other Paying Agent at a time when it has not received payment in full in respect of the Notes in accordance with subclause (1) (the excess of the amounts so paid over the amounts so received being the "Shortfall"), the Issuer will, in addition to paying amounts due under subclause (1), pay to the Fiscal Agent on demand interest (at a rate which represents the Fiscal Agent's cost of funding the Shortfall) on the Shortfall (or the unreimbursed portion thereof) until the receipt in full by the Fiscal Agent of the Shortfall.

(9)

The Fiscal Agent shall on demand promptly reimburse each of the other Paying Agents for payments in respect of Notes properly made by such Paying Agent in accordance with this Agreement and the Conditions unless the Fiscal Agent has notified the relevant Paying Agent, prior to its opening of business on the due date of a payment in respect of the Notes, that the Fiscal Agent does not expect to receive sufficient funds to make payment of all amounts falling due in respect of the Notes.

(10) Whilst any Notes are represented by Global Notes, all payments due in respect of the Notes shall be made to, or to the order of, the holder of the Global Notes, subject to and in accordance with the provisions of the Global Notes. On the occasion of each payment, the Paying Agent to which any Global Note was presented for the purpose of making the payment shall cause the appropriate Schedule to the Global Note to be annotated so as to evidence the amounts and dates of the payments of principal and/or interest as applicable.

(11) If the amount of principal and/or interest then due for payment is not paid in full (otherwise than by reason of a deduction required by law to be made or a certification required by the terms of a Note not being received), the Paying Agent to which a Note or Coupon (as the case may be) is presented for the purpose of making the payment shall make a record of the shortfall on the relevant Note or Coupon and the record shall, in the absence of manifest error, be prima facie evidence that the payment in question has not to that extent been made.

5. Notice of any withholding or deduction

(1) If the Issuer is, in respect of any payment in respect of the Notes, compelled to withhold or deduct any amount for or on account of Taxes as contemplated under Condition 7, it shall give notice of that fact to the Fiscal Agent as soon as it becomes aware of the requirement to make the withholding or deduction and shall give to the Fiscal Agent such information as it shall require to enable it to comply with the requirement.

(2) If any Paying Agent is, in respect of any payment of principal or interest in respect of the Notes, compelled to withhold or deduct any amount for or on account of any taxes, duties, assessments or governmental charges as contemplated under the Conditions, other than arising under subclause (1) or by virtue of the relevant holder failing to satisfy any certification or other requirement in respect of its Notes, it shall give notice of that fact to the Issuer and the Fiscal Agent as soon as it becomes aware of the compulsion to withhold or deduct.

6. Redemption for Taxation Reasons

If the Issuer decides to redeem the Notes for the time being outstanding under Condition 6(2), it shall give notice of the decision to the Fiscal Agent at least 75 days before the proposed redemption date.

7. Publication of Notices

On behalf of and at the request and expense of the Issuer, the Fiscal Agent shall cause to be published all notices required to be given by the Issuer to the Noteholders in accordance with the Conditions.

8. Cancellation of Notes and Coupons

(1) All Notes which are redeemed, Global Notes which are exchanged in full and all Coupons which are paid shall be cancelled by the Paying Agent by which they are redeemed, exchanged or paid. Where Notes are purchased by or on behalf of the Issuer or any of its Subsidiaries the Issuer shall procure that those Notes (together, in the case of Definitive Notes, with all unmatured Coupons attached to them) are promptly cancelled and delivered to the Fiscal Agent or its authorised agent. Each of the Paying Agents shall give to the Fiscal Agent details of all payments made by it and shall deliver all cancelled Notes and Coupons to the Fiscal Agent or as the Fiscal Agent may specify.

(2) The Fiscal Agent shall deliver to the Issuer as soon as reasonably practicable and in any event within three months after the date of each repayment, payment, cancellation or replacement, as the case may be, a certificate stating:

(a) the aggregate nominal amount of Notes which have been redeemed and the aggregate amount paid in respect of them;

(b) the number of Notes cancelled together (in the case of Definitive Notes) with details of all unmatured Coupons attached to them or delivered with them;

(c) the aggregate amount paid in respect of interest on the Notes;

(d) the total number of each denomination by maturity date of Coupons cancelled; and

(e) (in the case of Definitive Notes) the serial numbers of the Notes.

(3) The Fiscal Agent shall (unless otherwise instructed by the Issuer in writing) destroy all cancelled Notes and Coupons and, immediately following their destruction, send to the Issuer a certificate stating the serial numbers of the Notes (in the case of Definitive Notes) and the number by maturity date of Coupons destroyed.

(4) Without prejudice to the obligations of the Fiscal Agent under subclause (2), the Fiscal Agent shall keep a full and complete record of all Notes and Coupons (other than serial numbers of Coupons) and of their redemption, purchase on behalf of the Issuer or any of its Subsidiaries and cancellation, payment or replacement (as the case may be) and of all replacement Notes or Coupons issued in substitution for mutilated, defaced, destroyed, lost or stolen Notes or Coupons in accordance with clause 9. The Fiscal Agent shall in respect of the Coupons of each maturity retain until the expiry of five years from the Relevant Date in respect of such Coupons either all paid or exchanged Coupons of that maturity or a list of the serial numbers of Coupons of that maturity still remaining unpaid or unexchanged. The Fiscal Agent shall at all reasonable times make the record available to the Issuer and any persons authorised by it for inspection and for the taking of copies of it or extracts from it.

9. Issue of replacement Notes and Coupons

(1) The Issuer will cause a sufficient quantity of additional forms of Notes and Coupons to be available, upon request, to the Fiscal Agent at its specified office for the purpose of issuing replacement Notes and Coupons as provided below.

(2)

The Fiscal Agent will, subject to and in accordance with the Condition 10 and this clause, cause to be delivered any replacement Notes and Coupons which the Issuer may determine to issue in place of Notes and Coupons which have been lost, stolen, mutilated, defaced or destroyed.

(3) In the case of a mutilated or defaced Note, the Fiscal Agent shall ensure that (unless otherwise covered by such indemnity and surety bond as the Issuer may require) any replacement Note will only have attached to it Coupons corresponding to those attached to the mutilated or defaced Note which is presented for replacement.

(4) The Fiscal Agent shall obtain verification in the case of an allegedly lost, stolen or destroyed Note or Coupon in respect of which the serial number is known, that the Note or Coupon has not previously been redeemed, paid or exchanged, as the case may be. The Fiscal Agent shall not issue any replacement Note or Coupon unless and until the claimant shall have:

(a) paid such costs and expenses as may be incurred in connection with the replacement;

(b) provided it with such evidence and indemnity including a surety bond as the Issuer may require; and

(c) in the case of any mutilated or defaced Note or Coupon, surrendered it to the Fiscal Agent.

(5) The Fiscal Agent shall cancel any mutilated or defaced Notes and Coupons in respect of which replacement Notes and Coupons have been issued under this clause and shall furnish the Issuer with a certificate stating the serial numbers of the Notes and Coupons received by it and cancelled pursuant to this clause and, unless otherwise instructed by the Issuer in writing, shall destroy those Notes and Coupons and furnish the Issuer with a destruction certificate containing the information specified in clause 8(2).

(6) The Fiscal Agent shall, on issuing any replacement Note or Coupon, immediately inform the Issuer and the other Paying Agents of the serial number of the replacement Note or Coupon issued and (if known) of the serial number of the Note or Coupon in place of which the replacement Note or Coupon has been issued. Whenever replacement Coupons are issued under this clause, the Fiscal Agent shall also notify the other Paying Agents of the maturity dates of the lost, stolen, mutilated, defaced or destroyed Coupons and of the replacement Coupons issued.

(7) Whenever any Note or Coupon for which a replacement Note or Coupon has been issued and in respect of which the serial number is known is presented to a Paying Agent for payment, the relevant Paying Agent shall immediately send notice of that fact to the Issuer the Fiscal Agent.

10. Copies of documents available for inspection

Each Paying Agent shall hold copies of this Agreement available for inspection by Noteholders and Couponholders. For these purposes, the Issuer shall provide the Paying Agents with sufficient copies of this Agreement.

11. Meetings of Noteholders

(1) The provisions of Schedule 4 shall apply to meetings of the Noteholders and shall have effect in the same manner as if set out in this Agreement.

(2) Without prejudice to subclause (1), each of the Paying Agents on the request of any holder of Notes shall issue voting certificates and block voting instructions in accordance with Schedule 4 and shall immediately give notice to the Issuer in writing of any revocation or amendment of a block voting instruction. Each of the Paying Agents will keep a full and complete record of all voting certificates and block voting instructions issued by it and will, not less than 24 hours before the time appointed for holding a meeting or adjourned meeting, deposit at such place as the Fiscal Agent shall approve, full particulars of all voting certificates and block voting instructions issued by it in respect of the meeting or adjourned meeting.

12. Commissions and Expenses

(1) The Issuer agrees to pay to the Fiscal Agent such fees and commissions as the Issuer and the Fiscal Agent shall separately agree in writing in respect of the services of the Paying Agents under this Agreement together with any out of pocket expenses (including, but not limited to, legal, printing, postage, fax, cable and advertising expenses) properly incurred by the Paying Agents in connection with their services under this Agreement.

(2) The Fiscal Agent will make payment of the fees and commissions due under this Agreement to the other Paying Agents and will reimburse their expenses promptly after the receipt of the relevant moneys from the Issuer. The Issuer shall not be responsible for any payment or reimbursement by the Fiscal Agent to the other Paying Agents.

13. Indemnity

(1) The Issuer shall indemnify each of the Paying Agents against any losses, liabilities, costs, claims, actions, demands or expenses (together, "Losses") (including, but not limited to, all costs, legal fees, charges and expenses (together, "Expenses") paid or incurred in disputing or defending any Losses) which it may incur or which may be made against it as a result of or in connection with its appointment or the exercise of its powers and duties under this Agreement except for any Losses and Expenses resulting from its own default, negligence or bad faith or that of its officers, directors or employees or the breach by it of the terms of this Agreement.

(2) Each Paying Agent shall severally indemnify the Issuer against any Losses (including, but not limited to, all Expenses paid or incurred in disputing or defending any Losses) which the Issuer may incur or which may be made against the Issuer as a result of the breach by the Paying Agent of the terms of this Agreement or its default, negligence or bad faith or that of its officers, directors or employees. Under no circumstances will any Paying Agent be liable to the Issuer for loss of business, goodwill, opportunity or profit even if the relevant Paying Agent is advised of the possibility of such loss.

(3) The indemnities set out above shall survive any termination of this Agreement.

14. Responsibility of the Paying Agents

(1) No Paying Agent shall be responsible to anyone with respect to the validity of this Agreement or the Notes or Coupons or for any act or omission by it in connection with this Agreement or any Note or Coupon except for its own default, negligence or bad faith, including that of its officers, directors and employees.

(2) No Paying Agent shall have any duty or responsibility in the case of any default by the Issuer in the performance of its obligations under the Conditions or, in the case of receipt of a written demand from a Noteholder or Couponholder, with respect to such default, provided however that immediately on receiving notice given by a Noteholder in accordance with Condition 9, the Fiscal Agent notifies the Issuer of the fact and furnishes it with a copy of the notice.

(3) Whenever in the performance of its duties under this Agreement a Paying Agent shall deem it desirable that any matter be established by the Issuer prior to taking or suffering any action under this Agreement, such matter may be deemed to be conclusively established by a certificate signed by a duly authorised person on behalf of the Issuer and delivered to the Paying Agent and the certificate shall be a full authorisation to the Paying Agent for any action taken or suffered in good faith by it under the provisions of this Agreement in reliance upon the certificate.

15. Conditions of Appointment

(1) Each Paying Agent shall be entitled to deal with money paid to it by the Issuer for the purpose of this Agreement in the same manner as other money paid to a banker by its customers except:

(a) that it shall not exercise against the Issuer or any holders of Notes or Coupons any right of set-off, lien or similar claim in respect of the money; and

(b) that it shall not be liable to account to the Issuer for any interest on the money.

(2) No money held by any Paying Agent need be segregated except as required by law.

(3) In acting under this Agreement and in connection with the Notes and the Coupons, each Paying Agent shall act solely as an agent of the Issuer and will not assume any obligations towards or relationship of agency or trust for or with any of the owners or holders of the Notes or Coupons.

(4) Each Paying Agent undertakes to the Issuer to perform its duties, and shall be obliged to perform the duties and only the duties, specifically stated in this Agreement and the Conditions and no implied duties or obligations shall be read into any of those documents against any Paying Agent, other than the duty to act honestly and in good faith and to exercise the diligence of a reasonably prudent agent in comparable circumstances.

(5)

The Fiscal Agent may consult with legal and other professional advisers and the opinion of the advisers shall be full and complete protection in respect of any action taken, omitted or suffered under this Agreement in good faith and in accordance with the opinion of the advisers.

(6) Each Paying Agent shall be protected and shall incur no liability in respect of any action taken, omitted or suffered in reliance on any instruction from the Issuer or any document which it reasonably believes to be genuine and to have been delivered by the proper party or on written instructions from the Issuer.

(7) Any Paying Agent and its officers, directors and employees may become the owner of, and/or acquire any interest in, any Notes or Coupons with the same rights that it or he would have had if the Paying Agent concerned were not appointed under this Agreement, and may engage or be interested in any financial or other transaction with the Issuer and may act on, or as depositary, trustee or agent for, any committee or body of holders of Notes or Coupons or in connection with any other obligations of the Issuer as freely as if the Paying Agent were not appointed under this Agreement.

(8) The Issuer shall provide the Fiscal Agent with a certified copy of the list of persons authorised to execute documents and take action on its behalf in connection with this Agreement and shall notify the Fiscal Agent immediately in writing if any of those persons ceases to be authorised or if any additional person becomes authorised together, in the case of an additional authorised person, with evidence satisfactory to the Fiscal Agent that the person has been authorised.

(9) Except as ordered by a court of competent jurisdiction or as required by law or applicable regulations, the Issuer and each of the Paying Agents shall be entitled to treat the bearer of any Note or Coupon as the absolute owner of it (whether or not it is overdue and notwithstanding any notice of ownership or writing on it or notice of any previous loss or theft of it).

(10) The Fiscal Agent shall not be under any obligation to take any action under this Agreement which it expects will result in any expense or liability accruing to it, the payment of which within a reasonable time is not, in its reasonable opinion, assured to it.

16. Communications between the Parties

A copy of all communications relating to the subject matter of this Agreement between the Issuer and any Paying Agent (other than the Fiscal Agent) shall be sent to the Fiscal Agent.

17. Changes in Paying Agents

(1) The Issuer may terminate the appointment of any Paying Agent at any time and/or appoint additional or other Paying Agents by giving to the Paying Agent whose appointment is concerned and, where appropriate, the Fiscal Agent at least 90 days' prior written notice to that effect, provided that, so long as any of the Notes is outstanding:

(a) in the case of a Paying Agent, the notice shall not expire less than 45 days before any due date for the payment of interest; and

(b)

notice shall be given under Condition 11 at least 30 days before the removal or appointment of a Paying Agent.

(2) Notwithstanding the provisions of subclause (1), if at any time a Paying Agent becomes incapable of acting, or is adjudged bankrupt or insolvent, or files a voluntary petition in bankruptcy or makes an assignment for the benefit of its creditors or consents to the appointment of an administrator, liquidator or administrative or other receiver of all or any substantial part of its property, or if an administrator, liquidator or administrative or other receiver of it or of all or a substantial part of its property is appointed, or it admits in writing its inability to pay or meet its debts as they may mature or suspends payment of its debts, or if an order of any court is entered approving any petition filed by or against it under the provisions of any applicable bankruptcy or insolvency law or if a public officer takes charge or control of the Paying Agent or of its property or affairs for the purpose of rehabilitation, administration or liquidation, the Issuer may forthwith without notice terminate the appointment of the Paying Agent, in which event notice shall be given to the Noteholders under Condition 11 as soon as is practicable.

(3) All or any of the Paying Agents may resign their respective appointments under this Agreement at any time by giving to the Issuer and, where appropriate, the Fiscal Agent at least 90 days' prior written notice to that effect provided that, so long as any of the Notes is outstanding, the notice shall not, in the case of a Paying Agent, expire less than 45 days before any due date for the payment of interest. If the Fiscal Agent shall resign or be removed pursuant to subclauses (1) or (2) above or in accordance with this subclause (3), the Issuer shall promptly and in any event within 30 days appoint a successor (being a leading bank acting through its office in London). If the Issuer fails to appoint a successor within such period, the Fiscal Agent may select a leading bank acting through its office in London to act as Fiscal Agent hereunder and the Issuer shall appoint that bank as the successor Fiscal Agent.

(4) Notwithstanding the provisions of subclauses (1), (2) and (3), so long as any of the Notes is outstanding, the termination of the appointment of a Paying Agent (whether by the Issuer or by the resignation of the Paying Agent) shall not be effective unless upon the expiry of the relevant notice there is:

(a) a Fiscal Agent; and

(b) a Paying Agent in the place or places required by Condition 5(6).

(5) Any successor Paying Agent shall execute and deliver to its predecessor, the Issuer and the Fiscal Agent an instrument accepting the appointment under this Agreement, and the successor Paying Agent, without any further act, deed or conveyance, shall become vested with all the authority, rights, powers, trusts, immunities, duties and obligations of the predecessor with like effect as if originally named as a Paying Agent.

(6) If the appointment of a Paying Agent under this Agreement is terminated (whether by the Issuer or by the resignation of the Paying Agent), the Paying Agent shall:

(a) on the date on which the termination takes effect deliver to its successor Paying Agent (or, if none, the Fiscal Agent) all Notes and Coupons surrendered to it but not yet destroyed and all records concerning the Notes and Coupons maintained by it (except such documents and records as it is obliged by law or regulation to retain or not to release);

(b) pay to its successor Paying Agent (or, if none, to the Fiscal Agent) the amounts (if any) held by it under this Agreement, but shall have no other duties or responsibilities under this Agreement; and

(c) be entitled to the payment by the Issuer of the commissions, fees and expenses payable in respect of its services under this Agreement before the termination in accordance with the terms of clause 12.

18. Merger and Consolidation

Any corporation into which any Paying Agent may be merged or converted, or any corporation with which a Paying Agent may be consolidated, or any corporation resulting from any merger, conversion or consolidation to which a Paying Agent shall be a party, or any corporation to which a Paying Agent shall sell or otherwise transfer all or substantially all of its assets shall, on the date when the merger, conversion, consolidation or transfer becomes effective and to the extent permitted by any applicable laws, become the successor Paying Agent under this Agreement without the execution or filing of any paper or any further act on the part of the parties to this Agreement, unless otherwise required by the Issuer, and after the said effective date all references in this Agreement to the relevant Paying Agent shall be deemed to be references to such successor corporation. Written notice of any such merger, conversion, consolidation or transfer shall immediately be given to the Issuer by the relevant Paying Agent.

19. Notification of changes to Paying Agents

Following receipt of notice of resignation from a Paying Agent and after appointing a successor or new Paying Agent or on giving notice to terminate the appointment of any Paying Agent, the Fiscal Agent (on behalf of and at the expense of the Issuer) shall give or cause to be given not more than 45 days' nor less than 30 days' notice of the fact to the Noteholders in accordance with the Conditions.

20. Change of Specified Office

If any Paying Agent determines to change its specified office it shall give to the Issuer and the Fiscal Agent written notice of that fact giving the address of the new specified office which shall be in the same city and stating the date on which the change is to take effect, which shall not be less than 45 days after the notice. The Fiscal Agent (on behalf and at the expense of the Issuer) shall within 15 days of receipt of the notice (unless the appointment of the relevant Paying Agent is to terminate pursuant to clause 21 on or prior to the date of the change) give or cause to be given not more than 45 days' nor less than 30 days' notice of the change to the Noteholders in accordance with the Conditions.

21. Communications

Any notice required to be given under this Agreement to any of the parties shall be delivered in person, sent by pre-paid post (first class if inland, first class airmail if overseas) or by facsimile addressed to:

The Issuer: DENTSPLY International Inc.
570 W. College Avenue
York
Pennsylvania 17405-0872
United States

Facsimile No: 001 717 849 4753
(Attention: Brian Addison, Secretary)

The Fiscal Agent: Citibank, N.A.
Agency & Trust
5 Carmelite Street
London EC4Y 0PA

Facsimile No: 0044 20 7508 3878
(Attention: Citibank Agency and Trust)

or such other address of which notice in writing has been given to the other parties to this Agreement under the provisions of this clause.

Any such notice shall take effect, if delivered in person, at the time of delivery, if sent by post, three days in the case of inland post or seven days in the case of overseas post after despatch, and, in the case of facsimile, 24 hours after the time of despatch, provided that in the case of a notice given by facsimile transmission such notice shall forthwith be confirmed by post. The failure of the addressee to receive such confirmation shall not invalidate the relevant notice given by facsimile.

22. Taxes and Stamp Duties

The Issuer agrees to pay any and all stamp and other documentary taxes or duties which may be payable in connection with the execution, delivery, performance and enforcement of this Agreement.

23. Amendments

This Agreement may be amended by the Issuer and the Fiscal Agent, without the consent of any other Paying Agent or the Noteholders or Couponholders, either:

(a) for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained in this Agreement; or

(b) in any manner which is not materially prejudicial to the interests of the Noteholders.

Any modification made under subparagraph (a) or (b) shall be binding on the Paying Agents, the Noteholders and the Couponholders and shall be notified to the Noteholders in accordance with Condition 11 as soon as practicable after it has been agreed.

24. Contracts (Rights of Third Parties) Act 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

25. Governing Law and Submission to Jurisdiction

(1) This Agreement is governed by, and shall be construed in accordance with, the laws of England.

(2) The Issuer the Fiscal Agent and the Paying Agents irrevocably agree that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with this Agreement and that accordingly any suit, action or proceedings (together referred to as "Proceedings") arising out of or in connection with this Agreement may be brought in such courts.

(3) The Issuer, the Fiscal Agent and the Paying Agents irrevocably waive any objection which any may have to the laying of the venue of any Proceedings in any such courts and any claim that any such Proceedings have been brought in an inconvenient forum and further irrevocably agree that a judgment in any Proceedings brought in the English courts shall be conclusive and binding upon them and may be enforced in the courts of any other jurisdiction.

(4) Nothing contained in this clause shall limit any right of any parts to this Agreement to take Proceedings in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(5) The Issuer appoints Denton Wilde Sapte at its office at 1 Fleet Place, London EC4M 7WS as its agent for service of process, and undertakes that, in the event of Denton Wilde Sapte ceasing so to act or ceasing to be registered in England, it will appoint another person, as the Fiscal Agent may approve, as its agent for service of process in England in respect of any Proceedings.

(6) The Issuer:

(a) agrees to procure that, so long as any of the Notes remains outstanding, there shall be in force an appointment of such a person with an office in London with authority to accept service as aforesaid;

(b) agrees that failure by any such person to give notice of such service of process to the Issuer shall not impair the validity of such service or of any judgment based thereon;

(c)

consents to the service of process in respect of any Proceedings by the airmailing of copies, postage prepaid, to the Issuer in accordance with clause 21; and

(d) agrees that nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.

26. Counterparts

This Agreement may be executed in any number of counterparts, and this has the same effect as if the signatures on the counterparts were on a single copy of this Agreement.

SCHEDULE 1

PART I

FORM OF THE TEMPORARY GLOBAL NOTE

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

DENTSPLY INTERNATIONAL INC.

TEMPORARY GLOBAL NOTE

(euro)350,000,000 5.75 per cent. Notes due 2006

This temporary Global Note is issued in respect of the (euro)350,000,000 5.75 per cent. Notes due 2006 (the "Notes") of DENTSPLY International Inc. (the "Issuer"). The Notes are issued subject to and have the benefit of an Agency Agreement (the "Agency Agreement") dated 13th December, 2001 between the Issuer and Citibank, N.A. as Fiscal Agent (the "Fiscal Agent"). The Notes are issued subject to and with the benefit of the Conditions of the Notes (the "Conditions") set out in Part II of Schedule 2 to the Agency Agreement.

1. Promise to Pay

Subject as provided in this temporary Global Note, the Issuer, for value received, promises to pay the bearer upon presentation and surrender of this temporary Global Note such sum as is equal to the principal amount of the Notes represented by this temporary Global Note as shown in the title of this temporary Global Note or such lesser amount as is shown by the latest entry in Part I or Part II of the Schedule to this temporary Global Note on 13th December, 2006 or on such earlier date as the principal of this temporary Global Note may become due under the Conditions and to pay interest on the principal sum for the time being outstanding at the rate of 5.75 per cent. per annum from 13th December, 2001 payable annually in arrear on 13th December until payment of the principal sum has been made or duly provided for in full together with any other amounts as may be payable, all subject to and under the Conditions.

2. Exchange for Permanent Global Note and Purchases

Upon (a) any exchange of the whole or a part of this temporary Global Note for an interest in the permanent Global Note or for a definitive Note, (b) receipt of instructions from Euroclear Bank or Clearstream, Luxembourg (both as defined below) that, following the purchase by or on behalf of the Issuer or any of its subsidiaries of the whole or a part of this temporary Global Note, part is to be cancelled or (c) any redemption of the whole or a part of this temporary

Global Note, the portion of the principal amount of this temporary Global Note so exchanged, purchased and cancelled or redeemed shall be entered by or on behalf of the Fiscal Agent on Part I of the Schedule to this temporary Global Note, whereupon the principal amount of this temporary Global Note shall be reduced for all purposes by the amount so exchanged, purchased and cancelled or redeemed and entered.

Any person who would, but for the provisions of this temporary Global Note and of the Agency Agreement, otherwise be entitled to receive either (i) an interest in the permanent Global Note or (ii) definitive Notes shall not be entitled to require the exchange of an appropriate part of this temporary Global Note for an interest in the permanent Global Note or definitive Notes unless and until he shall have delivered or caused to be delivered to Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear Bank") or Clearstream Banking, societe anonyme ("Clearstream, Luxembourg") a certificate in substantially the form of the certificate attached as Exhibit B (copies of which form of certificate will be available at the offices of Euroclear Bank in Brussels and Clearstream, Luxembourg in Luxembourg and the specified offices of each Paying Agent named in the Agency Agreement).

The permanent Global Note to be issued in exchange for interests in this temporary Global Note will be substantially in the form set out in Part II of Schedule 1 to the Agency Agreement.

The permanent Global Note will only have an entry made to represent definitive Notes after the date which is 40 days after the closing date for the Notes (the "Exchange Date").

On or after the Exchange Date, interests in this temporary Global Note may be exchanged for interests in a duly executed and authenticated permanent Global Note without charge and the Fiscal Agent or such other person as the Fiscal Agent may direct (the "Exchange Agent") shall make the appropriate entry on Part I of the Schedule to the permanent Global Note, in full or partial exchange for this temporary Global Note, in order that the permanent Global Note represents an aggregate principal amount of Notes equal to the principal amount of this temporary Global Note submitted for exchange. Notwithstanding the foregoing, no such entry shall be made on the permanent Global Note unless there shall have been presented to the Exchange Agent a certificate from Euroclear Bank or Clearstream, Luxembourg substantially in the form of the certificate attached as Exhibit A.

Notwithstanding the foregoing, where this temporary Global Note has been exchanged in part for the permanent Global Note pursuant to the foregoing and definitive Notes have been issued in exchange for the total amount of Notes represented by the permanent Global Note pursuant to its terms because Euroclear Bank and/or Clearstream, Luxembourg do not regard the permanent Global Note to be fungible with such definitive Notes, then interests in this temporary Global Note will no longer be exchangeable for interests in the permanent Global Note but will be exchangeable, in full or partial exchange, for duly executed and authenticated definitive Notes, without charge, in the denominations of (euro)1,000, (euro)10,000 and (euro)100,000 each with interest coupons attached, such definitive Notes to be substantially in the form set out in Part I of Schedule 2 to the Agency Agreement. Notwithstanding the foregoing, definitive Notes shall not be so issued and delivered unless there shall have been presented to the Exchange Agent a certificate from Euroclear Bank or Clearstream, Luxembourg substantially in the form of the certificate attached as Exhibit A.

In no event may the permanent Global Note or definitive Notes issued in exchange for interests in this temporary Global Note be mailed to an address within or otherwise delivered within the United States or its possessions (including, for this purpose, Puerto Rico, Guam, American Samoa, Wake Island, the U.S. Virgin Islands and the Northern Mariana Islands).

3. Benefits

Until the entire principal amount of this temporary Global Note has been extinguished in exchange for the permanent Global Note and/or definitive Notes, this temporary Global Note shall (save as provided herein) in all respects be entitled to the same benefits as the definitive Notes referred to above, except that the holder of this temporary Global Note shall only be entitled to receive any payment on this temporary Global Note on presentation of certificates as provided below.

4. Payments

On and after the Exchange Date, no payment will be made on this temporary Global Note unless exchange for an interest in the permanent Global Note is improperly withheld or refused. Payments due in respect of Notes for the time being represented by this temporary Global Note shall be made to the bearer only upon presentation by Euroclear Bank or, as the case may be, Clearstream, Luxembourg to the Fiscal Agent at its specified office of a certificate, substantially in the form of the certificate attached as Exhibit A, to the effect that Euroclear Bank, or as the case may be, Clearstream, Luxembourg has received certificate substantially in the form of the certificate attached as Exhibit B from qualified account holders with respect to the payments due in respect of such Notes.

Payments of principal and interest in respect of Notes represented by this temporary Global Note will, subject as provided herein, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes represented hereby, surrender of this temporary Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes.

Upon any payment in respect of the Notes represented by this temporary Global Note, the amount so paid shall be entered by or on behalf of the Fiscal Agent on Part II of the Schedule to this temporary Global Note. In the case of any payment of principal the principal amount of this temporary Global Note shall be reduced for all purposes by the amount so paid and the remaining principal amount of this temporary Global Note shall be entered by or on behalf of the Fiscal Agent on Part II of the Schedule to this temporary Global Note.

5. Notices

For so long as all of the Notes are represented by this temporary Global Note and/or the permanent Global Note and this temporary Global Note and/or the permanent Global Note is/are held on behalf of Euroclear Bank and/or Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear Bank and/or

Clearstream, Luxembourg (as the case may be) for communication to the relevant persons who are for the time being shown in the records of Euroclear Bank and/or Clearstream, Luxembourg as the holders of a particular principal amount of the Notes rather than by publication as required by Condition 11 provided that, so long as the Notes are admitted to official listing on the London Stock Exchange, the London Stock Exchange and any other relevant authority so agrees. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which such notice is delivered to Euroclear Bank and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

6. Accountholders

For so long as any of the Notes is represented by one or/both of this temporary Global Note and/or the permanent Global Note and such Global Note(s) is/are held on behalf of Euroclear Bank and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear Bank and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (each an "Accountholder") (in which regard any certificate or other document issued by Euroclear Bank or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of that nominal amount of Notes (and the bearer of the relevant Global Note shall be deemed not to be the holder) for all purposes (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer and the Paying Agents, solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear Bank or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

Notes represented by this temporary Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear Bank or Clearstream, Luxembourg as appropriate.

The Issuer covenants in favour of each Accountholder that it will make all payments in respect of the principal amount of Notes for the time being shown in the records of Euroclear Bank and/or Clearstream, Luxembourg as being held by the Accountholder and represented by this temporary Global Note to the bearer of this temporary Global Note in accordance with clause 1 above and acknowledges that each Accountholder may take proceedings to enforce this covenant and any of the other rights which it has under this temporary Global Note directly against the Issuer.

7. Prescription

Claims against the Issuer in respect of principal and interest on the Notes represented by this temporary Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7).

8. Cancellation

Cancellation of any Note represented by this temporary Global Note and required by the Conditions to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the temporary Global Note on Part I of the Schedule to this temporary Global Note.

9. Authentication

This temporary Global Note shall not become valid or enforceable for any purpose unless and until it has been authenticated by or on behalf of the Fiscal Agent.

10. Governing Law

This temporary Global Note is governed by, and shall be construed in accordance with, English law. No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this temporary Global Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

IN WITNESS whereof this temporary Global Note has been executed as a deed poll on behalf of the Issuer.

Executed as a deed)
by DENTSPLY INTERNATIONAL INC.)
and signed and delivered as a deed)
on its behalf by)
)
in the presence of:)

Witness:
Signature:.....

Name: .....

Address:.....

CERTIFICATE OF AUTHENTICATION

This is the temporary Global Note
described in the Agency Agreement.
By or on behalf of Citibank, N.A.
(without recourse, warranty or liability)

.....

THE SCHEDULE

Part I

EXCHANGES FOR THE PERMANENT GLOBAL NOTE/DEFINITIVE NOTES AND OTHER CANCELLATIONS

The following exchanges of a part of this temporary Global Note for interests in the permanent Global Note/definitive Notes and other cancellations (whether following a purchase by the Issuer or any of its subsidiaries or redemption) of a part of the aggregate principal amount of this temporary Global Note have been made:

Date of exchange or other cancellation	Part of the aggregate principal amount of this temporary Global Note exchanged for interests in the permanent Global Note or definitive Notes	Part of the aggregate principal amount of this temporary Global Note otherwise cancelled	Remaining principal amount of this temporary Global Note following exchange or other cancellation	Notation made by or on behalf of the Fiscal Agent
	(euro)	(euro)	(euro)	

Part II

PAYMENTS

The following payments in respect of the Notes represented by this temporary Global Note have been made:

Date of payment	Amount of interest paid	Amount of principal paid	Remaining principal amount of this temporary Global Note following payment	Notation made by or on behalf of the Fiscal Agent
	(euro)	(euro)	(euro)	

- ---

EXHIBIT A

DENTSPLY INTERNATIONAL INC.

(euro)350,000,000 5.75 per cent. Notes due 2006

(the "Securities")

This is to certify that, based solely on certifications we have received in writing, by tested telex or by electronic transmission from member organisations appearing in our records as persons being entitled to a portion of the principal amount set forth below (our "Member Organisations") substantially to the effect set forth in the Agency Agreement, as of the date hereof, (euro)[ ] principal amount of the above-captioned Securities (i) is owned by persons that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States federal income taxation regardless of its source ("United States persons"), (ii) is owned by United States persons that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(v)) ("financial institutions") purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution has agreed, on its own behalf or through its agent, that we may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) is owned by United States or foreign financial institutions for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and to the further effect that United States or foreign financial institutions described in clause (iii) above (whether or not also described in clause (i) or (ii)) have certified that they have not acquired the Securities for purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(b) (2) or (3) of Regulation S under the Securities Act of 1933, as amended (the "Act"), then this is also to certify with respect to such principal amount of Securities set forth above that, except as set forth below, we have received in writing, by tested telex or by electronic transmission, from our Member Organisations entitled to a portion of such principal amount, certifications with respect to such portion, substantially to the effect. As used in this paragraph the term "U.S. person" has the meaning given to it by Regulation S under the Act.

We further certify (i) that we are not making available herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) any portion of the temporary global Security excepted in such certifications and (ii) that as of the date hereof we have not received any notification from any of our Member Organisations to the effect that the statements made by such Member Organisations with respect to any portion of the part submitted herewith for exchange (or, if relevant, exercise of any rights or collection of any interest) are no longer true and cannot be relied upon as of the date hereof.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings.

Dated1

[Euroclear Bank S.A./N.V. as operator of the Euroclear System] [Clearstream Banking, societe anonyme]

By .....
Authorised Signatory

D7

EXHIBIT B

DENTSPLY INTERNATIONAL INC.

(euro)350,000,000 5.75 per cent. Notes due 2006

(the "Securities")

This is to certify that as of the date hereof, and except as set forth below, the above-captioned Securities held by you for our account (i) are owned by person(s) that are not citizens or residents of the United States, domestic partnerships, domestic corporations or any estate or trust the income of which is subject to United States federal income taxation regardless of its source ("United States person(s)"), (ii) are owned by United States person(s) that (a) are foreign branches of United States financial institutions (as defined in U.S. Treasury Regulations Section 1.165-12(c)(1)(v)) ("financial institutions") purchasing for their own account or for resale, or (b) acquired the Securities through foreign branches of United States financial institutions and who hold the Securities through such United States financial institutions on the date hereof (and in either case (a) or (b), each such United States financial institution hereby agrees, on its own behalf or through its agent, that you may advise the Issuer or the Issuer's agent that it will comply with the requirements of Section 165(j)(3)(A), (B) or (C) of the Internal Revenue Code of 1986, as amended, and the regulations thereunder), or (iii) are owned by United States or foreign financial institution(s) for purposes of resale during the restricted period (as defined in U.S. Treasury Regulations Section 1.163-5(c)(2)(i)(D)(7)), and in addition if the owner of the Securities is a United States or foreign financial institution described in clause (iii) above (whether or not also described in clause (i) or (ii)) this is further to certify that such financial institution has not acquired the Securities for the purposes of resale directly or indirectly to a United States person or to a person within the United States or its possessions.

If the Securities are of the category contemplated in Section 230.903(b) (2) or (3) of Regulation S under the Securities Act of 1933, as amended (the "Act"), then this is also to certify that, except as set forth below, the Securities are beneficially owned by (a) non-U.S. person(s) or (b) U.S. person(s) who purchased the Securities in transactions which did not require registration under the Act; As used in this paragraph the term "U.S. person" has the meaning given to it by Regulation S under the Act.

As used herein, "United States" means the United States of America (including the States and the District of Columbia); and its "possessions" include Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, Wake Island and the Northern Mariana Islands.

We undertake to advise you promptly by tested telex on or prior to the date on which you intend to submit your certification relating to the Securities held by you for our account in accordance with your documented procedures if any applicable statement herein is not correct on such date, and in the absence of any such notification it may be assumed that this certification applies as of such date.

This certification excepts and does not relate to (euro)[ ] of such interest in the above Securities in respect of which we are not able to certify and as to which we understand exchange and delivery of definitive Securities (or, if relevant, exercise of any rights or collection of any interest) or an interest in a permanent global security cannot be made until we do so certify.

We understand that this certification is required in connection with certain tax laws and, if applicable, certain securities laws of the United States. In connection therewith, if administrative or legal proceedings are commenced or threatened in connection with which this certification is or would be relevant, we irrevocably authorise you to produce this certification to any interested party in such proceedings.

Dated1

By .....
Qualified Account Holder

D7

PART II

FORM OF THE PERMANENT GLOBAL NOTE

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

DENTSPLY INTERNATIONAL INC.

PERMANENT GLOBAL NOTE

(euro)350,000,000 5.75 per cent. Notes due 2006

This permanent Global Note is issued in respect of the (euro)350,000,000 5.75 per cent. Notes due 2006 (the "Notes") of DENTSPLY International Inc. (the "Issuer"). The Notes are initially represented by a temporary Global Note interests in which will be exchanged in accordance with the terms of the temporary Global Note for interests in this permanent Global Note and, if applicable, definitive Notes. The Notes are issued subject to and with the benefit of an Agency Agreement (the "Agency Agreement") dated 13th December, 2001 between the Issuer and Citibank, N.A. as Fiscal Agent (the "Fiscal Agent"). The Notes are issued subject to and with the benefit of the Conditions of the Notes (the "Conditions") set out in Part II of Schedule 2 to the Agency Agreement.

1. Promise to Pay

Subject as provided in this permanent Global Note, the Issuer, for value received, promises to pay the bearer upon presentation and surrender of this permanent Global Note such sum as is equal to the principal amount of the Notes represented by this permanent Global Note as shown by the latest entry in Part I, Part II or Part III of the Schedule to this permanent Global Note on 13th December, 2006 or on such earlier date as the principal of this permanent Global Note may become due under the Conditions and to pay interest on the principal sum for the time being outstanding at the rate of 5.75 per cent. per annum from 13th December, 2001 payable annually in arrear on 13th December until payment of the principal sum has been made or duly provided for in full together with any other amounts as may be payable, all subject to and under the Conditions.

2. Exchange of Interests in the Temporary Global Note for Interests in this Permanent Global Note

Upon any exchange of an interest in the temporary Global Note representing the Notes for an interest in this permanent Global Note, the Fiscal Agent shall make the appropriate entry in Part I of the Schedule to this permanent Global Note in order to indicate the principal amount of Notes represented by this permanent Global Note following such exchange.

3. Exchange for Definitive Notes and Purchases

This permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only (i) if an event of default (as set out in Condition 9) has occurred and is continuing, (ii) if both Euroclear Bank S.A./N.V. as operator of the Euroclear System ("Euroclear Bank") and Clearstream Banking, societe anonyme ("Clearstream, Luxembourg") are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do in fact do so and no successor clearing system is available, (iii) if the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form or (iv) if the Issuer receives a notice from or on behalf of one or more Accountholders (as defined below) requiring such exchange. Thereupon (in the case of (i), (ii) and (iv) above) the holder of this permanent Global Note (acting on the instructions of one or more Accountholders) may give notice to the Fiscal Agent and the Issuer, and (in the case of (iii) above) the Issuer may give notice to the Fiscal Agent and the Noteholders, of its intention to exchange this permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of this permanent Global Note may or, in the case of (iii) above, shall surrender this permanent Global Note to or to the order of the Fiscal Agent. In exchange for this permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes in the denominations of (euro)1,000, (euro)10,000 and (euro)100,000 (having attached to them all Coupons in respect of interest which has not already been paid on this permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in Part I of Schedule 2 of the Agency Agreement. On exchange of this permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

In no event may definitive Notes issued in exchange for interests in this permanent Global Note be mailed to an address within or otherwise delivered within the United States or its possessions (including, for this purpose, Puerto Rico, Guam, American Samoa, Wake Island, the U.S. Virgin Islands and the Northern Mariana Islands).

"Exchange Date" means a day specified in the notice requiring exchange falling not less than 30 days after that on which such notice is given, being a day on which banks are open for business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (ii) above, in the place in which the relevant clearing systems are located.

Upon (a) receipt of instructions from Euroclear Bank or Clearstream, Luxembourg that, following the purchase by or on behalf of the Issuer or any of its subsidiaries of the whole or a part of this permanent Global Note, part is to be cancelled or (b) any redemption of the whole or a part of this permanent Global Note, the portion of the principal amount of this permanent Global Note so purchased and cancelled or redeemed shall be entered by or on behalf of the Fiscal Agent on Part II or Part III of the Schedule to this permanent Global Note, as they case may be, whereupon the principal amount of this permanent Global Note shall be reduced for all purposes by the amount so purchased and cancelled or redeemed and entered.

4. Benefits

Until the entire principal amount of this permanent Global Note has been extinguished in exchange for definitive Notes or in any other manner envisaged by the Conditions, this permanent Global Note shall (save as provided herein) in all respects be entitled to the same benefits as the definitive Notes referred to above.

5. Payments

Payments due in respect of Notes for the time being represented by this permanent Global Note shall be made to the bearer of this permanent Global Note.

Payments of principal and interest in respect of Notes represented by this permanent Global Note will, subject as provided herein, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes represented hereby, surrender of this permanent Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been notified to the Noteholders for such purposes.

Upon any payment in respect of the Notes represented by this permanent Global Note, the amount so paid shall be entered by or on behalf of the Fiscal Agent on Part III of the Schedule to this permanent Global Note. In the case of any payment of principal the principal amount of this permanent Global Note shall be reduced for all purposes by the amount so paid and the remaining principal amount of this permanent Global Note shall be entered by or on behalf of the Fiscal Agent on Part III of the Schedule to this permanent Global Note.

6. Notices

For so long as all of the Notes are represented by one or both of this permanent Global Note and/or the temporary Global Note and such Global Note(s) is/are held on behalf of Euroclear Bank and/Clearstream, Luxembourg, notices to Noteholders may be given by delivery of the relevant notice to Euroclear Bank and/or Clearstream, Luxembourg (as the case may be) for communication to the relative Accountholders rather than by publication as required by Condition 11, provided that, so long as the Notes are admitted to official listing on the London Stock Exchange, the London Stock Exchange and any other relevant authority so agrees. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which such notice is delivered to Euroclear Bank and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

7. Accountholders

For so long as any of the Notes is represented by one or/both of this permanent Global Note and/or the temporary Global Note and such Global Note(s) is/are held on behalf of Euroclear Bank and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear Bank and/or Clearstream, Luxembourg as the holder of a particular nominal amount of such Notes (each an "Accountholder") (in which regard any certificate or

other document issued by Euroclear Bank or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be deemed to be the holder of that nominal amount of Notes (and the bearer of the relevant Global Note shall be deemed not to be the holder) for all purposes (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on such Notes, the right to which shall be vested, as against the Issuer and the Paying Agents, solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear Bank or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

Notes represented by this permanent Global Note are transferable in accordance with the rules and procedures for the time being of Euroclear Bank or Clearstream, Luxembourg as appropriate.

The Issuer covenants in favour of each Accountholder that it will make all payments in respect of the principal amount of Notes for the time being shown in the records of Euroclear Bank and/or Clearstream, Luxembourg as being held by the Accountholder and represented by this permanent Global Note to the bearer of this permanent Global Note in accordance with clause 1 above and acknowledges that each Accountholder may take proceedings to enforce this covenant and any of the other rights which it has under this permanent Global Note directly against the Issuer.

8. Prescription

Claims against the Issuer and the Guarantor in respect of principal and interest on the Notes represented by this permanent Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7).

9. Cancellation

Cancellation of any Note represented by this permanent Global Note and required by the Conditions to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of this permanent Global Note on Part II or Part III, as the case may be, of the Schedule to this permanent Global Note.

10. Authentication

This permanent Global Note shall not become valid or enforceable for any purpose unless and until it has been authenticated by or on behalf of the Fiscal Agent.

11. Governing Law

This permanent Global Note is governed by, and shall be construed in accordance with, English law. No rights are conferred on any person under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this permanent Global Note, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

IN WITNESS whereof this permanent Global Note has been executed as a deed poll on behalf of the Issuer.

Executed as a deed)
by DENTSPLY INTERNATIONAL INC.)
and signed and delivered as a deed on)
its behalf by)
in the presence of:)

Witness:

Signature:.....

Name: .....

Address:.....

CERTIFICATE OF AUTHENTICATION

This is the permanent Global Note
described in the Agency Agreement.
By or on behalf of Citibank, N.A.
(without recourse, warranty or liability)

.....

THE SCHEDULE

Part I

EXCHANGES OF THE TEMPORARY GLOBAL NOTE

The following exchanges of part of the temporary Global Note for interests in this permanent Global Note have been made.

Date of Exchange	Part of aggregate principal amount of the temporary Global Note exchanged for this permanent Global Note	Aggregate principal amount of Notes represented by this permanent Global Note following exchange	Notation made by or on behalf of the Fiscal Agent
	(euro)	(euro)	

Part II

PURCHASES AND CANCELLATIONS

The following purchases and cancellations of a part of the aggregate principal amount of this permanent Global Note have been made:

Date of cancellation	Part of the aggregate principal amount of this permanent Global Note purchased and cancelled	Remaining principal amount of this permanent Global Note following cancellation	Notation made by or on behalf of the Fiscal Agent
	(euro)	(euro)	

Part III

PAYMENTS

The following payments in respect of the Notes represented by this permanent Global Note have been made:

Date of payment	Amount of interest paid	Amount of principal paid	Remaining principal amount of this permanent Global Note following payment	Notation made by or on behalf of the Fiscal Agent
	(euro)	(euro)	(euro)	

- ---

SCHEDULE 2

PART I

FORM OF DEFINITIVE NOTE AND COUPON

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE

(Face of Note)

- ---------- [ISIN] 00 00000 000000

- ---

DENTSPY International Inc.
(incorporated in the State of Delaware, U.S.A.)

(euro)350,000,000 5.75 per cent. Notes due 2006

The issue of the Notes was authorised by a resolution of the Board of Directors of (the "Issuer") passed on 23rd May, 2001.

This Note forms one of a series of Notes issued as bearer Notes in the denominations of (euro)1,000, (euro)10,000 and (euro)100,000 each in an aggregate principal amount of (euro)350,000,000.

The Issuer for value received and subject to and in accordance with the Conditions endorsed hereon hereby promises to pay to the bearer on 13th December, 2006 (or on such earlier date as the principal sum (as determined under the Conditions) may become repayable under the said Conditions) the principal sum of:

(euro)1,000/10,000/100,000 [one/ten/one hundred] thousand euro)

together with interest on the said principal sum at the rate of 5.75 per cent. per annum payable annually in arrear on 13th December and together with such other amounts as may be payable, all subject to and under the Conditions.

The Notes are issued pursuant to an Agency Agreement (the "Agency Agreement") dated 13th December, 2001 between the Issuer and Citibank, N.A. as Fiscal Agent. The Notes have the benefit of, and are subject to, the provisions contained in the Agency Agreement and the Conditions.

Neither this Note nor any of the Coupons relating to this Note shall become valid or enforceable for any purpose unless and until this Note has been authenticated by or on behalf of the Fiscal Agent.

IN WITNESS WHEREOF this Note has been executed on behalf of the Issuer.

Dated as of 13th December, 2001

Issued in London, England.

DENTSPLY International Inc.

By:

- ---

- ---

CERTIFICATE OF AUTHENTICATION

This is one of the Notes described
in the Agency Agreement.

By or on behalf of Citibank, N.A.
as Fiscal Agent
(without recourse, warranty or liability)

- ---

(Reverse of Note)

CONDITIONS OF THE NOTES

(as set out in Part II of this Schedule 2)

FISCAL AND PRINCIPAL PAYING AGENT

Citibank, N.A.
5 Carmelite Street
London EC4Y 0PA

and/or such other or further Fiscal Agent or Paying Agents and/or specified offices as may from time to time be appointed by the Issuer and notice of which has been given to the Noteholders.

- FORM OF COUPON -

(Face of Coupon)

DENTSPLY International Inc.
Euro 350,000,000 5.75 per cent. Notes due 2006

Coupon for the amount due under the Conditions of the Notes on 13th December, [2002/2003/2004/2005/2006]

This Coupon is payable to bearer, separately negotiable and subject to the Conditions.

Coupon due on 13th December, [2002/2003/2004/2005/2006]

ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.

(Reverse of Coupon)

FISCAL AND PRINCIPAL PAYING AGENT:
Citibank, N.A.
5 Carmelite Street
London EC4Y 0PA

PART II

TERMS AND CONDITIONS OF THE NOTES
(to be incorporated from the final Offering Circular)

CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The e350,000,000 * per cent. Notes due 2006 (the "Notes", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 13 and forming a single series with the Notes) of DENTSPLY International Inc. (the "Issuer") are issued subject to and with the benefit of an Agency Agreement dated * December, 2001 (such agreement as amended and/or supplemented and/or restated from time to time, the "Agency Agreement") made between the Issuer, Citibank, N.A. as initial fiscal agent and principal paying agent (the "Fiscal Agent") and the other initial paying agents named in the Agency Agreement (together with the Fiscal Agent, the "Paying Agents").

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Notes (the "Noteholders") and the holders of the interest coupons appertaining to the Notes (the "Couponholders" and the "Coupons", respectively) at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

1. FORM, DENOMINATION AND TITLE

(1) Form and Denomination

The Notes are in bearer form, serially numbered, in the denominations of e1,000, e10,000 and e100,000 each with Coupons attached on issue.

(2) Title

Title to the Notes and to the Coupons will pass by delivery.

(3) Holder Absolute Owner

The Issuer and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the holder of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon).

2. STATUS

The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and (subject as provided above) rank and will rank pari passu, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. NEGATIVE PLEDGE

(1) Negative Pledge

So long as any of the Notes remains outstanding, the Issuer will not, and will procure that none of its Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "Security Interest") other than a Permitted Security Interest upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer shall, in the case of the creation by it of a Security Interest, before or at the same time and, in any other case, promptly, take any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes and the Coupons are secured by the Security Interest equally and rateably with the Relevant Indebtedness; or

(b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as shall be approved by an Extraordinary Resolution (which is defined in the Agency Agreement as a resolution duly passed by a majority of not less than three-fourths of the votes cast) of the Noteholders.

(2) Interpretation

For the purposes of these Conditions:

(a) "Permitted Security Interest" means a Security Interest granted by any company prior to its becoming a Subsidiary of the Issuer provided that (i) the Security Interest shall not have been granted in contemplation of such company becoming a Subsidiary, (ii) the principal amount of Relevant Indebtedness

secured by such Security Interest is not increased or extended in maturity after such company becomes a Subsidiary (other than under arrangements entered into prior to such company becoming a Subsidiary but not entered into in contemplation of its becoming a Subsidiary) or in contemplation of such company becoming a Subsidiary and (iii) the Security Interest is not extended in scope after such company becomes a Subsidiary (other than under arrangements entered into prior to such company becoming a Subsidiary but not entered into in contemplation of its becoming a Subsidiary) or in contemplation of such company becoming a Subsidiary;

(b) "Relevant Indebtedness" means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other similar securities and (ii) any guarantee or indemnity of any such indebtedness; and

(c) "Subsidiary" means, in relation to the Issuer, a company (i) in which the Issuer holds a majority of the voting rights, (ii) of which the Issuer is a member and has the right to appoint or remove a majority of its board of directors or (iii) of which the Issuer is a member and in which the Issuer controls (whether or not pursuant to an agreement with other shareholders or members) a majority of the voting rights and includes any company which is itself a subsidiary (on the basis of one of the above tests) of a subsidiary of the Issuer.

4. INTEREST

(1) Interest Rate and Interest Payment Dates

The Notes bear interest from and including December, 2001 at the rate of per cent. per annum, payable annually in arrear on * December (each an "Interest Payment Date"). The first payment (representing a full year's interest) shall be made on * December, 2002.

(2) Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 11.

(3) Calculation of Broken Interest
When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the "Accrual Date") to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

5. PAYMENTS
(1) Payments in respect of Notes
Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States and its possessions of any of the Paying Agents.

(2) Method of Payment
Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque. In no event will an interest payment with respect to a Note be made by transfer to an account maintained by the payee with a bank in the United States or its possessions or by cheque mailed to any address in the United States or its possessions.

(3) Missing Unmatured Coupons
Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 8).

(4) Payments subject to Applicable Laws
Payments in respect of principal and interest on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7.

(5) Payment only on a Presentation Date
A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4, be entitled to any further interest or other payment if a Presentation Date is after the due date. "Presentation Date" means a day which (subject to Condition 8):

(a) is or falls after the relevant due date;

(b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and

(c) is a TARGET Settlement Day.

In this Condition, "Business Day" means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place and "TARGET Settlement Day" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

(6) Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain a Paying Agent having its specified office in a European city which, so long as the Notes are admitted to official listing on the Official List of the UK Listing Authority and to trading on theLondon Stock Exchange, shall be London or such other place as the London Stock Exchange or any other relevant authority may approve. In addition, if any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive is introduced, the Issuer will ensure that there is a Paying Agent in a Member State (if any) of the European Union that will not be obliged to withhold or deduct tax pursuant to any such Directive or law. Notice of any termination or appointment and of any changes in specified offices shall be given to the Noteholders promptly by the Issuer in accordance with Condition 11.

6. REDEMPTION AND PURCHASE
(1) Redemption at Maturity
Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem
the Notes at their principal amount on * December, 2006.

(2) Redemption for Taxation Reasons
If:

(a) (i) as a result of any change in, or amendment to, the laws or regulations of the United States or any State therein, or any change in the official interpretation of such laws or regulations, which change or amendment becomes effective after * December, 2001, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 7 and (ii) the requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer would be required to pay the additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two officers of the Issuer whose names appear on a list of officers authorised for the purpose and previously supplied to the Fiscal Agent by the Issuer stating that the requirement referred to in (i) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment; or

(b) the Issuer determines that any payment made outside the United States by it or any Paying Agent of principal or interest due in respect of the Notes or Coupons would, under any present or future laws or regulations of the United States, be subject to any certification, documentation, information or other reporting requirement of any kind, the effect of which requirement would be the disclosure to the Issuer, any Paying Agent or any governmental authority of the nationality, residence or identity of a beneficial owner of such Note or Coupon who is a United States Alien (as defined in Condition 7(3)) (other than such a requirement (I) which would not be applicable to a payment made by the Issuer or any of its Paying Agents (A) directly to the beneficial owner or (B) to a custodian, nominee or other agent of the beneficial owner or (ii) which can be satisfied by such custodian, nominee or other agent certifying to the effect that such beneficial owner is a United States Alien, provided that, in each case referred to in (i)(B) and (ii), payment by such custodian, nominee or agent to such beneficial owner is not otherwise subject to any such requirement), the Issuer will, at its election, either (x) redeem all (but not some only) of the Notes at their principal amount together with interest accrued to but excluding the date of redemption or (y) if and so long as the provisions of Condition 7(2) are satisfied, pay the additional amounts specified in such paragraph. The Issuer will publish prompt notice of its election (the "Determination Notice"), stating the effective date of such certification, documentation, information or other reporting requirement, whether the Issuer has elected to redeem the Notes or to pay such additional amounts and (if applicable) the last date by which the redemption of the Notes must take place. If the Issuer elects to redeem such Notes, such redemption will take place on such date, not later than one year after the publication of the Determination Notice, as the Issuer may specify by notice to the Noteholders in accordance with Condition 11 at least 30 days before the date fixed for redemption. Notwithstanding the foregoing, the Issuer will not so redeem the Notes if the Issuer subsequently determines, not less than 30 days prior to the redemption date, that subsequent payments in respect of the Notes or Coupons would not be subject to any such certification, documentation, information or other reporting requirement, in which case the Issuer will publish prompt notice of such determination and any earlier redemption notice will be revoked and of no further effect.

(3) Purchases
The Issuer or any of its Subsidiaries (as defined above) may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. If purchases are made by tender, tenders must be available to all Noteholders alike.

(4) Cancellations
All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer or any of its
Subsidiaries will forthwith be cancelled, together with all relative unmatured Coupons attached to
the Notes or surrendered with the Notes, and accordingly may not be reissued or resold.

(5) Notices Final
Upon the expiry of any notice as is referred to in paragraph (2) above the Issuer shall be bound to
redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

7. TAXATION

(1) Payment without Withholding
All payments in respect of the Notes and Coupons by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges imposed or levied by or on behalf of the United States or any political subdivision or any authority thereof or therein, unless the withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which otherwise would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in respect of a withholding or deduction on account of any one or more of the following:

(a) any tax, assessment or other governmental charge which would not have been imposed but for (i) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such holder, if such holder is an estate, a trust, a partnership, a corporation or another entity, as the case may be) and the United States or any political subdivision or territory or possession thereof, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor of a power over) being or having been a citizen or resident or treated as a resident thereof or being or having been present or engaged in trade or business therein or having or having had a permanent establishment therein or otherwise having or having had some connection with the United States or such political subdivision, territory or possession other than the mere holding or ownership of a Note or Coupon or (ii) such holder's present or former status as (A) a personal holding company, foreign personal holding company or a controlled foreign corporation with respect to the United States, (B) a corporation which accumulates earnings to avoid United States federal income tax, (C) a private foundation or other exempt organisation or (D) a bank receiving interest described in section 881(C)(3)(A) of the United States Internal Revenue Code of 1986, as amended;

(b) any tax, assessment or other governmental charge which would not have been so imposed but for presentation by the holder of a Note or Coupon for payment on a date more than 15 days after the Relevant Date;

(c) any estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment or other governmental charge;

(d) any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, documentation, information or other reporting requirements concerning the nationality, residence, identity or connection with the United States or any political subdivision thereof of the holder or beneficial owner of such Note or Coupon, if, without regard to any tax treaty, such compliance is required by a statute or by regulation or administrative practice of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(e) any tax, assessment or other governmental charge which is (i) payable otherwise than by deduction or withholding from payments on such Note or Coupon or (ii) required to be withheld by a Paying Agent from any such payment, if such payment can be made without such withholding by any other Paying Agent outside the United States;

(f) any tax, assessment or other governmental charge imposed on a person holding, actually or constructively, 10 per cent. or more of a total combined voting power of all classes of stock of the Issuer or that is a controlled foreign corporation related to the Issuer through stock ownership;

(g) a withholding or deduction imposed on a payment to an individual and required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(h) a withholding or deduction which would not have been made had the relevant Note or Coupon been presented to a Paying Agent in another Member State of the European Union;

nor will Additional Amounts be paid with respect to a payment on a Note or Coupon to any person which is a fiduciary or partnership or other than the sole beneficial owner of such Note or Coupon to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Note or Coupon.

(2) Backup Withholding
If and so long as the certification, documentation, information or other reporting requirements referred to in Condition 6(2)(b) would be fully satisfied by payment of a backup withholding tax or similar charge, the Issuer may elect, by so stating in the Determination Notice, to have the provisions of this Condition 7(2) apply in lieu of the provisions of Condition 6(2)(b). In such event, the Issuer will pay as additional interest such amounts as may be necessary so that any net payment made following the effective date of such requirements outside the United States by the Issuer or any of its Paying Agents of principal or interest due in respect of the Notes or Coupons of which the beneficial owner is a United States Alien (but without any requirement that the nationality, residence or identity, other than status as a United States Alien, of such beneficial owner be disclosed to the Issuer, any Paying Agent or any governmental authority), after deduction or withholding for or on account of such backup withholding tax or similar charge (other than a backup withholding tax or similar charge which (a) is the result of certification, documentation, information or other reporting requirements described in the second parenthetical clause of the first sentence of Condition 6(2)(b), (b) is imposed as a result of the fact that the Issuer or any of the Paying Agents has actual knowledge that the beneficial owner of such Note or Coupon is within the category of persons described in subparagraph (a) of Condition 7(1), or (c) is imposed as a result of presentation of such Note or Coupon for payment more than 15 days after the Relevant Date), will not be less than the amount provided for in the Notes or Coupons to be then due and payable. If the Issuer elects to pay additional amounts pursuant to this Condition 7(2), the Issuer shall have the right to redeem all (but not some only) of the Notes subject to the provisions of Condition 6(2)(b).

(3) Interpretation
In these Conditions:

(a) "Relevant Date" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Condition 11;

(b) "United States Alien" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership or other entity one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust; and

(c) "United States" means the United States of America or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons.

(4) Additional Amounts
Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

8. PRESCRIPTION
Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 5.

9. EVENTS OF DEFAULT

(1) Events of Default
The holder of any Note may give notice to the Issuer that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with interest accrued to the date of repayment, if any of the following events ("Events of Default") shall have occurred and be continuing:

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of five days in the case of payment of interest; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by any Noteholder on the Issuer of notice requiring the same to be remedied; or

(c) if: (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer or any of its Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; (iv) default is made by the Issuer or any of its Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; or

(d) if the Issuer or any Material Subsidiary makes an assignment for the benefit of creditors or is generally not paying its debts as such debts become due; or

(e) if any decree or order for relief in respect of the Issuer or any Material Subsidiary is entered under any bankruptcy, reorganisation, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law, whether now or hereafter in effect (herein called the "Bankruptcy Law") of any jurisdiction; or

(f) if the Issuer or any Material Subsidiary petitions or applies to any tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of the Issuer or any Material Subsidiary, or of any substantial part of the assets of the Issuer or any Material Subsidiary, or commences a voluntary case under the Bankruptcy Law of the United States or any proceedings (other than proceedings for the voluntary liquidation and dissolution of a Material Subsidiary where all the surplus assets of such Material Subsidiary attributable to the Issuer are transferred to the Issuer or another Subsidiary) relating to the Issuer or any Material Subsidiary under the Bankruptcy Law of any other jurisdiction; or

(g) if any petition or application of the type referred to in paragraph (f) above is filed, or any such proceedings are commenced, against the Issuer or any Material Subsidiary and the Issuer or such Material Subsidiary by any act indicates its approval thereof, consent thereto or acquiescence therein, or an order, judgment or decree is entered appointing such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 30 days; or

(h) if any order, judgment or decree is entered in any proceedings against the Issuer or any Material Subsidiary decreeing the dissolution of the Issuer or any Material Subsidiary and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(i) if any order, judgment or decree is entered in any proceedings against the Issuer or any Material Subsidiary decreeing a split-up of the Issuer or such Material Subsidiary which requires the divestiture of assets representing a substantial part of the consolidated assets of the Issuer and its Subsidiaries or which requires the divestiture of assets which shall have contributed a substantial part of Consolidated Net Income for any of the three fiscal years then most recently ended, and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(j) if one or more final judgments in an aggregate amount in excess of U.S.$10,000,000 is rendered against the Issuer or any Subsidiary and, within 60 days after entry thereof, or within 60 days after the expiration of any stay, such judgment is not discharged; or

(k) if any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) to (j) above; or

(l) if the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save (i) in the case of a Material Subsidiary, where the business or a substantial part of it is transferred to the Issuer or another Subsidiary, (ii) in the case of a solvent winding up of a Material Subsidiary where any surplus assets attributable to the Issuer are distributed to the Issuer or one or more other Subsidiaries or (iii) for the purposes of any other reorganisation on terms approved by an Extraordinary Resolution of Noteholders; or

(m) if the validity of the Notes is contested by the Issuer or the Issuer denies any of its obligations under the Notes or the Agency Agreement or it is or will become unlawful under English or United States law for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Agency Agreement or any of such obligations shall be or become unenforceable or invalid.

(2) Interpretation
For the purposes of this Condition:

"Consolidated" shall mean, as applied to any financial or accounting term, such term determined on a consolidated basis in accordance with accounting principles generally accepted in the United States (except as otherwise required herein) for the Issuer and each Subsidiary which is a Consolidated Subsidiary of the Issuer;

"Consolidated Net Income" shall mean the net income (or net loss) of the Issuer and its Consolidated Subsidiaries for the period in question (taken as a whole), as determined in accordance with generally accepted accounting principles; provided that there shall be excluded:

(a) the net income (or net loss) of any person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the person whose net income is being determined or a subsidiary of such person; and

(b) the net income (or net loss) of any person (other than a Subsidiary) in which the person whose net income is being determined or any subsidiary of such person has an ownership interest, except to the extent that any such income has actually been received by such person in the form of cash dividends or similar distributions;

"Consolidated Net Worth" shall mean, as at any date of determination, the sum of the capital stock (less treasury stock), additional paid-in capital plus retained earnings (or minus accumulated deficit), other comprehensive income or loss and unearned ESOP compensation of the Issuer and its Consolidated Subsidiaries on a consolidated basis;

"Consolidated Subsidiary" means, in the case of the Issuer at any date, any Subsidiary or other entity the accounts of which are Consolidated with those of the Issuer in the Consolidated financial statements of the Issuer as of such date;

"Indebtedness for Borrowed Money" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit where the principal amount of such indebtedness is U.S.$10,000,000 or more (or its equivalent in any other currency or currencies); and

"Material Subsidiary" shall mean any Subsidiary (i) which provided 5 per cent. or more of Consolidated Net Income during the fiscal year of the Issuer most recently ended at any time of determination, (ii) whose tangible assets represented 5 per cent. or more of the tangible assets of the Issuer and its Subsidiaries on a consolidated basis as of the last day of the fiscal year of the Issuer most recently ended at any time of determination, or (iii) whose net worth represented 5 per cent. or more of Consolidated Net Worth as of the last day of the fiscal year of the Issuer most recently ended at any time of determination; provided that, if at any time the aggregate amount of net income, tangible assets or net worth of all Subsidiaries incorporated or otherwise organised in the United States that are not Material Subsidiaries exceeds 15 per cent. of

Consolidated Net Income for any such fiscal year, 15 per cent. of Consolidated tangible assets of the Issuer and its Subsidiaries as of the end of such fiscal year or 15 per cent. of Consolidated Net Worth as of the end of any such fiscal year (as applicable), the Issuer shall designate as "Material Subsidiaries" Subsidiaries incorporated or otherwise organised in the United States sufficient to eliminate such excess, and such designated Subsidiaries incorporated in the United States shall for all purposes of these Conditions constitute Material Subsidiaries.

10. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11. NOTICES

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Issuer may decide. It is expected that publication will normally be made in the Financial Times. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being quoted or listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

12. MEETINGS OF NOTEHOLDERS AND MODIFICATION

(1) Provisions for Meetings

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions or the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

(2) Modification

The Fiscal Agent may agree, without the consent of the Noteholders or Couponholders, to any modification of any of these Conditions or any of the provisions of the Agency Agreement either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein or therein or (ii) in any manner which is not materially prejudicial to the interests of the Noteholders. Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 11.

13. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes, having conditions the same as those of the Notes, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

14. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(1) Governing Law

The Agency Agreement, the Notes and the Coupons are governed by, and will be construed in accordance with, English law.

(2) Jurisdiction of English Courts

The Issuer irrevocably agrees for the benefit of the Noteholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "Proceedings") may be brought in the courts of England. The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(3) Appointment of Process Agent

The Issuer hereby irrevocably and unconditionally appoints Denton Wilde Sapte of 1 Fleet Place, London EC4M 7WS as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

FISCAL AGENT

Citibank, N.A.
5 Carmelite Street
London EC4Y 0PA

and/or any other or further Fiscal Agent or Paying Agents and/or specified offices as may from time to time be duly appointed by the Issuer and notice of which has been given to the Noteholders.

SCHEDULE 3

PROVISIONS FOR MEETINGS OF NOTEHOLDERS

1. As used in this schedule the following expressions shall have the following meanings unless the context otherwise requires:

(a) "Voting Certificate" shall mean an English language certificate issued by a Paying Agent and dated in which it is stated:

(i) that on the date of the Voting Certificate Notes (not being Notes in respect of which a Block Voting Instruction has been issued and is outstanding in respect of the meeting specified in the Voting Certificate and any adjourned meeting) were deposited with the Paying Agent or (to the satisfaction of the Paying Agent) were held to its order or under its control and that the Notes will not cease to be so deposited or held until the first to occur of:

(A) the conclusion of the meeting specified in the Voting Certificate or, if applicable, any adjourned meeting; and

(B) the surrender of the Voting Certificate to the Paying Agent who issued the same; and

(ii) that the bearer of the Voting Certificate is entitled to attend and vote at the meeting and any adjourned meeting in respect of the Notes represented by the Voting Certificate;

(b) "Block Voting Instruction" shall mean an English language document issued by a Paying Agent and dated in which:

(i) it is certified that Notes (not being Notes in respect of which a Voting Certificate has been issued and is outstanding in respect of the meeting specified in the Block Voting Instruction and any adjourned meeting) have been deposited with the Paying Agent or (to the satisfaction of the Paying Agent) were held to its order or under its control and that the Notes will not cease to be so deposited or held until the first to occur of:

(A) the conclusion of the meeting specified in the document or, if applicable, any adjourned meeting; and

(B) the surrender to the Paying Agent not less than 48 hours before the time for which the meeting or any adjourned meeting is convened of the receipt issued by the Paying Agent in respect of each deposited Note which is to be released or (as the case may require) the Note ceasing with the agreement of the Paying Agent to be held to its order or under its control and the giving of notice by the Paying Agent to the Issuer under paragraph 17 of the necessary amendment to the Block Voting Instruction;

(ii) it is certified that each holder of the Notes has instructed the Paying Agent that the vote(s) attributable to the Notes so deposited or held should be cast in a particular way in relation to the resolution to be put to the meeting or any adjourned meeting and that all the instructions are, during the period commencing 48 hours before the time for which the meeting or any adjourned meeting is convened and ending at the conclusion or adjournment, neither revocable nor capable of amendment;

(iii) the total number, total principal amount and the serial numbers (if available) of the Notes so deposited or held are listed distinguishing, with regard to each resolution, between those in respect of which instructions have been correctly given that the attributable votes should be cast in favour of the resolution and those in respect of which instructions have been so given that the attributable votes should be cast against the resolution; and

(iv) one or more persons named in the Block Voting Instruction (a "proxy") is or are authorised and instructed by the Paying Agent to cast the votes attributable to the Notes so listed in accordance with the instructions referred to in subparagraph (iii) as set out in the Block Voting Instruction.

The holder of any Voting Certificate or the proxies named in any Block Voting Instruction shall for all purposes in connection with the relevant meeting or adjourned meeting of Noteholders be deemed to be the holder of the Notes to which the Voting Certificate or Block Voting Instruction relates and the Paying Agent with which the Notes have been deposited or the person holding the same to the order or under the control of the Paying Agent shall be deemed for such purpose not to be the holder of those Notes.

2. The Issuer may at any time and the Issuer shall upon a requisition in writing signed by the holders of not less than one-tenth in principal amount of the Notes for the time being outstanding convene a meeting of the Noteholders and if the Issuer makes default for a period of seven days in convening a meeting the same may be convened by the requisitionists. Every meeting shall be held at such place as the Fiscal Agent may approve.

3. At least 21 days' notice (exclusive of the day on which the notice is given and the day on which the meeting is held) specifying the place, day and hour of meeting shall be given to the Noteholders before any meeting of the Noteholders in the manner provided by Condition 11. The notice shall state generally the nature of the business to be transacted at the meeting but (except for an Extraordinary Resolution) it shall not be necessary to specify in the notice the terms of any resolution to be proposed. Such notice shall include a statement to the effect that Notes may be deposited with Paying Agents for the purpose of obtaining Voting Certificates or appointing proxies. A copy of the notice shall be sent by post to the Issuer.

4. Some person (who may but need not be a Noteholder) nominated in writing by the Issuer shall be entitled to take the chair at every meeting but if no nomination is made or if at any meeting the person nominated shall not be present within fifteen minutes after the time appointed for holding the meeting the Noteholders present shall choose one of their number to be Chairman.

5. At any meeting one or more persons present holding Notes or Voting Certificates or being proxies and holding or representing in the aggregate not less than one-fifth of the principal amount of the Notes for the time being outstanding shall (except for the purpose of passing an Extraordinary Resolution) form a quorum for the transaction of business and no business (other than the choosing of a Chairman) shall be transacted at any meeting unless the requisite quorum be present at the commencement of business. The quorum at any meeting for passing an Extraordinary Resolution shall (subject as provided below) be one or more persons present holding Notes or Voting Certificates or being proxies and holding or representing in the aggregate a clear majority in principal amount of the Notes for the time being outstanding, provided that at any meeting the business of which includes any of the following matters (each of which shall only be capable of being effected after having been approved by Extraordinary Resolution) namely:

(a) modification of the date fixed for final maturity of the Notes or reduction or cancellation of the amount of principal payable;

(b) reduction or cancellation of the amount payable or modification of the date of payment in respect of any interest;

(c) alteration of the currency in which payments under the Notes and Coupons are to be made;

(d) alteration of the majority required to pass an Extraordinary Resolution;

(e) the sanctioning of any scheme or proposal as is described in paragraph 18(f);

(f) alteration of this proviso or the proviso to paragraph 6;

the quorum shall be one or more persons present holding Notes or Voting Certificates or being proxies and holding or representing in the aggregate not less than two-thirds of the principal amount of the Notes for the time being outstanding.

6. If within fifteen minutes after the time appointed for any meeting a quorum is not present the meeting shall if convened upon the requisition of Noteholders be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if the day is a public holiday the next succeeding business day) at the same time and place (except in the case of a meeting at which an Extraordinary Resolution is to be proposed in which case it shall stand adjourned for the period being not less than 14 days nor more than 42 days, and at such place as may be appointed by the Chairman and approved by the Fiscal Agent) and at the adjourned meeting one or more persons present holding Notes or Voting Certificates or being proxies (whatever the principal amount of the Notes so held or represented by them) shall (subject as provided below) form a quorum and shall (subject as provided below) have power to pass any Extraordinary or other resolution and to decide upon all matters which could properly have been dealt with at the meeting from which the adjournment took place had the requisite

quorum been present, provided that at any adjourned meeting the business of which includes any of the matters specified in the proviso to paragraph 5, the quorum shall be one or more persons present holding Notes or Voting Certificates or being proxies and holding or representing in the aggregate not less than one-third of the principal amount of the Notes for the time being outstanding.

7. Notice of any adjourned meeting at which an Extraordinary Resolution is to be submitted shall be given in the same manner as notice of an original meeting but as if 10 were substituted for 21 in paragraph 3 and the notice shall (except in cases where the proviso to paragraph 6 shall apply when it shall state the relevant quorum) state that the persons present holding Notes or Voting Certificates or being proxies at the adjourned meeting whatever the principal amount of the Notes held or represented by them will form a quorum. Subject as provided above it shall not be necessary to give any notice of an adjourned meeting.

8. Every question submitted to a meeting shall be decided in the first instance by a show of hands and in case of equality of votes the Chairman shall both on a show of hands and on a poll have a casting vote in addition to any votes to which he may be entitled as a Noteholder or as a holder of a Voting Certificate or as a proxy.

9. At any meeting unless a poll is (before or on the declaration of the result of the show of hands) demanded by the Chairman or the Issuer or by one or more persons present holding Notes or Voting Certificates or being proxies and holding or representing in the aggregate not less than one-fiftieth part of the principal amount of the Notes then outstanding a declaration by the Chairman that a resolution has been carried or carried by a particular majority or lost or not carried by a particular majority shall be conclusive evidence of the fact without proof of the number or proportion of the votes recorded in favour of or against the resolution.

10. Subject to paragraph 12, if at any meeting a poll is demanded it shall be taken in such manner and, subject as provided below, either at once or after an adjournment, as the Chairman may direct and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded as at the date of the taking of the poll. The demand for a poll shall not prevent the continuance of the meeting for the transaction of any business other than the motion on which the poll has been demanded.

11. The Chairman may with the consent of (and shall if directed by) any meeting adjourn the same from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully (but for lack of required quorum) have been transacted at the meeting from which the adjournment took place.

12. Any poll demanded at any meeting on the election of a Chairman or on any question of adjournment shall be taken at the meeting without adjournment.

13. Any director or officer of the Issuer and the lawyers and financial advisers of either of them may attend and speak at any meeting. Save as provided above but without prejudice to the proviso to the definition of "outstanding" in clause 1 of the Agency Agreement no person shall be entitled to attend and speak nor shall any person be entitled to vote at any meeting of the Noteholders or join with others in requesting the convening of a meeting unless he either produces the Note of which he is the holder or a Voting Certificate or is a proxy. Neither the Issuer nor any of its subsidiaries shall be entitled to vote at any meeting in respect of Notes held by it for the benefit of any such company. Nothing contained in this paragraph shall prevent any of the proxies named in any Block Voting Instruction from being a director or officer of or otherwise connected with the Issuer.

14. Subject as provided in paragraph 13 at any meeting:

(a) on a show of hands every person who is present in person and produces a Note or Voting Certificate or is a proxy shall have one vote; and

(b) on a poll every person who is so present shall have one vote in respect of each (euro)1.00 in principal amount of the Notes so produced or represented by the Voting Certificate so produced or in respect of which he is a proxy or in respect of which he is the Noteholder.

Without prejudice to the obligations of the proxies named in any Block Voting Instruction any person entitled to more than one vote need not use all his votes or cast all the votes to which he is entitled in the same way.

15. The proxies named in any Block Voting Instruction need not be Noteholders.

16. Each Block Voting Instruction together (if so requested by the Issuer) with reasonable proof satisfactory to the Issuer of its due execution on behalf of the relevant Paying Agent shall be deposited at such place as the Fiscal Agent shall approve not less than 24 hours before the time appointed for holding the meeting or adjourned meeting at which the proxies named in the Block Voting Instruction propose to vote and in default the Block Voting Instruction shall not be treated as valid unless the Chairman of the meeting decides otherwise before the meeting or adjourned meeting proceeds to business. A notarially certified copy of each Block Voting Instruction shall (if so requested by the Issuer) be deposited with the Fiscal Agent before the commencement of the meeting or adjourned meeting but the Fiscal Agent shall not be obliged to investigate or be concerned with the validity of or the authority of the proxies named in any Block Voting Instruction.

17. Any vote given in accordance with the terms of a Block Voting Instruction shall be valid notwithstanding the previous revocation or amendment of the Block Voting Instruction or of any of the Noteholders' instructions pursuant to which it was executed, provided that no intimation in writing of the revocation or amendment shall have been received from the relevant Paying Agent by the Issuer at its registered office (or such other place as may have been approved by the Fiscal Agent for the purpose) by the time being 24 hours before the time appointed for holding the meeting or adjourned meeting at which the Block Voting Instruction is to be used.

18.

A meeting of the Noteholders shall in addition to the powers provided above have the following powers exercisable by Extraordinary Resolution (subject to the provisions relating to quorum contained in paragraphs 5 and 6) only namely:

(a) power to sanction any compromise or arrangement proposed to be made between the Issuer and the Noteholders and Couponholders or any of them;

(b) power to sanction any abrogation, modification, compromise or arrangement in respect of the rights of the Noteholders and Couponholders against the Issuer or against any of its property whether the rights shall arise hereunder or otherwise;

(c) power to assent to any modification of the provisions contained in the Conditions, the Notes or the Coupons which shall be proposed by the Issuer or any Noteholder;

(d) power to give any authority or sanction which under the Notes or hereunder is required to be given by Extraordinary Resolution;

(e) power to appoint any persons (whether Noteholders or not) as a committee to represent the interests of the Noteholders and to confer upon the committee any powers or discretions which the Noteholders could themselves exercise by Extraordinary Resolution;

(f) power to sanction any scheme or proposal for the exchange or sale of the Notes for or the conversion of the Notes into or the cancellation of the Notes in consideration of shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities of the Issuer or any other company formed or to be formed, or for or into or in consideration of cash, or partly for or into or in consideration of the shares, stock, notes, bonds, debentures, debenture stock and/or other obligations and/or securities as provided above and partly for or into or in consideration of cash; and

(g) power to approve the substitution of any entity in place of the Issuer (or any previous substitute) as the principal debtor in respect of the Notes and the Coupons.

19. Any resolution passed at a meeting of the Noteholders duly convened and held hereunder shall be binding upon all the Noteholders whether present or not present at the meeting and whether or not voting and upon all Couponholders and each of them shall be bound to give effect to the resolution accordingly and the passing of any resolution shall be conclusive evidence that the circumstances justify the passing of the resolution. Notice of any resolution duly passed by the Noteholders shall be published under Condition 11 by the Issuer within 14 days of the passing of the resolution, provided that the non-publication of the notice shall not invalidate the resolution.

20. The expression "Extraordinary Resolution" when used in this Schedule and in the Conditions means a resolution passed at a meeting of the Noteholders duly convened and held in accordance with the provisions contained in this Agreement by a majority consisting of not less than three-fourths of the persons voting thereat upon a show of hands or if a poll shall be duly demanded then by a majority consisting of not less than three-fourths of the votes given on the poll.

21.

Minutes of all resolutions and proceedings at every meeting shall be made and duly entered in books to be from time to time provided for that purpose by the Issuer and any Minutes purporting to be signed by the Chairman of the meeting at which the resolutions were passed or proceedings had shall be conclusive evidence of the matters contained in the Minutes and until the contrary is proved every meeting in respect of the proceedings of which Minutes have been made shall be deemed to have been duly held and convened and all resolutions passed or proceedings had to have been duly passed or had.

SIGNATORIES

This Agreement has been entered into on the date stated at the beginning of this Agreement.

The Issuer

DENTSPLY INTERNATIONAL INC.

By: JOHN C. MILES II

The Fiscal Agent

CITIBANK, N.A.

By: MARNE LIDSTER

1 To be dated no earlier than the fifteenth day before the date to which certification relates, namely (a) the payment date or (b) the date set for the exchange of the temporary Global Note for an interest in the permanent Global Note or definitive Notes, as the case may be.

EXHIBIT 4.5(b)

CONFORMED COPY

Dated 11th December, 2001

DENTSPLY INTERNATIONAL INC.

Euro350,000,000 5.75 per cent. Notes due 2006

SUBSCRIPTION AGREEMENT

ALLEN & OVERY
London

D8

London, England
11th December, 2001

To: Credit Suisse First Boston (Europe) Limited
UBS AG, acting through its business group UBS Warburg
ABN AMRO Bank N.V.
First Union Securities, Inc.; and
Tokyo-Mitsubishi International plc

(the "Managers")

c/o Credit Suisse First Boston (Europe) Limited ("CSFB")
One Cabot Square
London E14 4QJ

Dear Sirs,

DENTSPLY International Inc., incorporated under the laws of the State of Delaware (the "Issuer"), proposes to issue Euro350,000,000 5.75 per cent. Notes due 2006 (the "Notes", which expression shall, where the context so admits, include the Global Notes referred to in paragraph 6 below). The Notes will be in bearer form in the denominations of Euro1,000, Euro10,000 and Euro100,000, each with coupons attached. The terms of the Notes are set out in the Preliminary Offering Circular and the Offering Circular referred to below.

The Notes will be issued pursuant to and have the benefit of a fiscal agency agreement expected to be dated 13th December, 2001 (the "Agency Agreement") between the Issuer and Citibank, N.A. as fiscal and principal paying agent (the "Fiscal Agent").

The Issuer wishes to record the arrangements agreed between it and the Managers for the issue and subscription of the Notes as follows:

1. Subscription of the Notes

1.1 The Issuer agrees to issue the Notes and the Managers jointly and severally agree with the Issuer to subscribe and

pay for the Notes on the Closing Date (as defined in paragraph 6 below) at their issue price of 99.746 per cent. of the principal amount of the Notes less a selling concession of 0.20 per cent. of the principal amount of the Notes (the "Selling Price").

1.2 The Issuer confirms that:

(a) it has prepared a preliminary offering circular dated 20th November, 2001 (the "Preliminary Offering Circular") and an offering circular dated 11th December, 2001 (the "Offering Circular") and authorises the Managers to distribute copies of the Preliminary Offering Circular and the Offering Circular in connection with the offering and sale of the Notes; and

(b) it approves the arrangements agreed by it with CSFB and made on its behalf by CSFB, on behalf of the Managers, for announcements in respect of the Notes to be published on such dates and in such newspapers or other publications as it may agree with CSFB and that, once the issue price of the Notes has been made public, it will not publish any press announcement or other public announcement referring to the issue of the Notes without adequately disclosing that stabilisation may take place.

1.3 In connection with the issue and sale of the Notes each of the Managers represents that it has observed and undertakes that it will observe the restrictions on the offering of Notes and distribution of documents relating to the Notes set forth in paragraph 9 below.

1.4 CSFB (on behalf of the Managers) may, to the extent permitted by applicable laws, over-allot and effect transactions in any over-the-counter market or otherwise, in connection with the distribution of the Notes, with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail but, in doing so, CSFB shall act as principal and not as agent of the Issuer and any loss resulting from over-allotment or stabilisation shall be borne, and any profit arising therefrom shall be beneficially retained, by CSFB. Nothing contained in this paragraph 1.4 shall be construed so as to require the Issuer to issue in excess of Euro350,000,000 principal amount of the Notes.

2. Representations and Warranties

2.1 The Issuer represents, warrants and agrees to and with the Managers that:

(a) each of the Issuer and its Material Subsidiaries (as defined in the Conditions of the Notes but on the basis that each of Degussa Dental GmbH Co. KG and DH Zweite Vermogensverwaltungs GmbH are Material Subsidiaries for the purposes of this Agreement and, for the avoidance of doubt, became members of the Group (as defined below) on 2nd October, 2001) is a company duly incorporated and validly existing under the laws of its jurisdiction of incorporation, is not in liquidation or receivership and has full power and authority to conduct its business as described in the Preliminary Offering Circular and the Offering Circular and is lawfully qualified to do business in those jurisdictions in which business is conducted by it so as to require such qualification except where failure to be so qualified would not have a material adverse effect on the Issuer and its subsidiaries taken as a whole (the "Group") and the Issuer is able lawfully to execute and perform its obligations under the Notes, this Agreement and the Agency Agreement;

(b) this Agreement has been duly authorised, executed and delivered by the Issuer and constitutes, the Agency Agreement has been duly authorised by the Issuer and on the Closing Date will constitute, valid and legally binding obligations of the Issuer;

(c) the issue of the Notes has been duly authorised by the Issuer and the Notes, when duly executed, authenticated, issued and delivered in accordance with the Agency Agreement and this Agreement, will constitute valid and legally binding obligations of the Issuer;

(d) save as referred to in this Agreement, no consent, approval, authorisation, order, registration or qualification of or with any court or governmental agency or body is required for the execution and delivery of this Agreement and the Agency Agreement by the Issuer, and the issue and distribution of the Notes or the consummation of the other transactions contemplated by this Agreement, the Agency Agreement or the Notes;

(e) the execution and delivery of this Agreement and the Agency Agreement, the issue or distribution of the Notes, the consummation of the transactions herein and therein contemplated and compliance with the terms hereof and thereof (i) do not conflict with or result in a breach of any of the terms or provisions of, or constitute a default under, the certificate of incorporation or bylaws (each as amended to the date of this Agreement) of the Issuer, or any indenture, trust deed, mortgage or other agreement or instrument to which the Issuer is a party or by which it or any of its properties are bound except where such conflict, breach or default would not reasonably be expected to have a material adverse effect on the Group; and (ii) do not infringe any existing applicable law, rule, regulation, judgment, order or decree of any government, governmental body or court, domestic or foreign, having jurisdiction over the Issuer or infringe the rules of any stock exchange on which securities of the Issuer are listed;

(f) the Offering Circular contains all information required by section 80 of the Financial Services and Markets Act 2000 (the "FSMA") and otherwise complies with the listing rules made under section 84 of the FSMA and all other relevant statutes and governmental regulations of the United Kingdom;

(g) all statements of fact contained in the Preliminary Offering Circular were at the date thereof and all statements of fact contained in the Offering Circular are true and accurate in all material respects and not misleading in any material respect and all statements of opinion, intention or expectation contained therein were or are truly and honestly held and were or have been made after due and careful consideration of all relevant circumstances and were or are based on assumptions which the Issuer believes to be reasonable, and there is no fact or matter omitted from the Preliminary Offering Circular or the Offering Circular (i) the omission of which, in the context of the issue of the Notes, made or makes any statement therein misleading in any material respect or (ii) was or is, in the context of the issue of the Notes, material for disclosure therein;

(h) the consolidated financial statements of the Issuer appearing on pages F-3 to F-49 (inclusive) in the Preliminary Offering Circular and on pages F-3 to F-49 (inclusive) in the Offering Circular were prepared in accordance with United States generally accepted accounting principles consistently applied (except as may be indicated in the notes to such financial statements and subject as otherwise disclosed in the Preliminary Offering Circular and the Offering Circular) and present fairly the consolidated financial condition of the Issuer as at the dates, and the consolidated results of operations and cash flows of the Issuer for the periods, in respect of which they have been prepared (subject, in the case of interim financial statements, to normal year end adjustments) and, since 31st December, 2000, there has been no change nor, so far as the Issuer is aware, any event reasonably likely to involve a prospective change which is or would reasonably be expected to be materially

adverse to the financial condition, results of operations or properties of the Issuer or the Group, respectively, which (i) has not been disclosed in the Preliminary Offering Circular and the Offering Circular or (ii) is not reflected in the financial statements and financial information appearing in the Preliminary Offering Circular and the Offering Circular;

(i) the combined financial statements of Degussa Dental (as defined in note 1 to such combined financial statements) as at and for the year ended 31st December, 2000 and as at and for the six months ended 30th June, 2001 appearing on pages F-51 to F-70 inclusive) in the Preliminary Offering Circular and on pages F-51 to F-70 inclusive) in the Offering Circular were prepared in accordance with United States generally accepted accounting principles consistently applied and present fairly the financial condition of Degussa Dental as at the dates and the results of the operations and cash flows of Degussa Dental for the periods in respect of which they were prepared and, since 30th June, 2001, there has been no change nor, so far as the Issuer is aware, any event reasonably likely to involve a prospective change which is or would reasonably be expected to be materially adverse to the financial condition, results of operations or properties of Degussa Dental, except as disclosed in the Preliminary Offering Circular and the Offering Circular;

(j) it reasonably believes that the DENTSPLY pro forma financial information appearing on pages F-72 to F-80 (inclusive) in the Preliminary Offering Circular and on pages F-72 to F-80 (inclusive) in the Offering Circular has been prepared on the basis stated therein and accurately presents in all material respects the information it purports to show and that such pro forma financial information is not misleading in any material respect;

(k) except as disclosed in the Preliminary Offering Circular and the Offering Circular and except where the facts giving rise to any inaccuracy in this warranty would not reasonably be expected to have a material adverse effect on the Group, the Issuer and its subsidiaries (i) have good and marketable title to all real properties and good and marketable title to all other properties and assets owned by them, in each case free from liens, encumbrances and defects that would materially affect the value thereof or materially interfere with the use made or to be made thereof by them and (ii) hold any leased real or personal property under valid and enforceable leases with no exceptions that would materially interfere with the use made or to be made thereof by them;

(l) the Issuer and its Material Subsidiaries possess such authorities and permits issued by appropriate governmental agencies or bodies as may be necessary to conduct the business now operated by them and have not received any notice of proceedings relating to the revocation or modification of any such authority or permit that, if determined adversely to the Issuer or any of its Material Subsidiaries, would have a material adverse effect on the Group;

(m) no labour dispute with the employees of the Issuer or any subsidiary exists or, to the knowledge of the Issuer, is imminent that would reasonably be expected to have a material adverse effect on the Group;

(n) no member of the Group has (i) infringed any trademarks, trade names and other rights to inventions, know-how, patents, copyrights, confidential information and other intellectual property (collectively, "intellectual property rights") of any third party or (ii) received any notice of infringement of or conflict with asserted rights of others with respect to any intellectual property rights which, in either case if proceedings relating thereto were determined adversely, would have a material adverse effect on the Group;

(o) except as disclosed in the Preliminary Offering Circular and the Offering Circular, neither the Issuer nor any of its subsidiaries is in violation of any statute, rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "environmental laws"), owns or operates any real property contaminated with any substance that is subject to any environmental laws, is liable for any off-site disposal or contamination pursuant to any environmental laws, or is subject to any claim relating to any environmental laws, which violation, contamination, liability or claim would have a material adverse effect on the Group;

(p) save as disclosed in the Preliminary Offering Circular and in the Offering Circular, there are no pending legal or arbitration proceedings against or affecting the Issuer or any of its subsidiaries or any of their properties, which would have a material adverse effect on the condition (financial or other), prospects, results of operations or general affairs of the Group, or would materially and adversely affect the ability of the Issuer to perform its obligations under the Notes, this Agreement or the Agency Agreement, or which are otherwise material in the context of the issue of the Notes and, to the best of the Issuer's knowledge, no such proceedings are threatened or contemplated;

(q) no event has occurred which, had the Notes already been issued, would (whether or not with the giving of notice and/or the passage of time and/or the fulfilment of any other requirement) constitute an event described as an "Event of Default" in the Conditions of the Notes in the Preliminary Offering Circular and the Offering Circular;

(r) it has been informed of the existence of the informational guidance on stabilisation published by the U.K. Financial Services Authority;

(s) neither the Issuer, nor any of its affiliates, nor any person acting on its or their behalf have engaged or will engage in any directed selling efforts (as defined in Regulation S under the United States Securities Act of 1933, as amended (the "Securities Act") with respect to the Notes and it and they have complied and will comply with the offering restrictions requirement of such Regulation;

(t) upon issue the Notes will constitute direct, unconditional and (subject to the Conditions of the Notes) unsecured obligations of the Issuer and will rank pari passu, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency only to the extent permitted by applicable laws relating to the creditors' rights; and

(u) except with respect to the transactions contemplated by this Agreement or as described in the Preliminary Offering Circular or the Offering Circular, no action has been taken or is contemplated by the Issuer or any other member of the Group (and the Issuer is not aware of any action having been taken or being contemplated by any other person with respect to the Issuer or any of is subsidiaries) which may result in the Issuer being obliged, under listing requirements or other obligations to its shareholders generally, to make any information which may be material to a subscriber for the Notes available to the public prior to the Closing Date.

2.2 Indemnity

The commitment of the Managers under this Agreement being made on the basis of the foregoing representations and warranties and with the intention that they shall remain true and accurate in all respects up to and including the Closing Date, the Issuer undertakes to each Manager that if that Manager or any of its directors, officers and/or each person who controls any Manager for the purposes of Section 15 of the Securities Act (each a "Relevant Party" in relation to that Manager) incurs any loss, liability, cost, claim, action, demand or expense (including, but not limited to, all reasonable costs, charges and expenses paid or incurred in disputing or defending any of the foregoing) (a "Loss") arising out of or in relation to or in connection with any breach or alleged breach of any such representation or warranty, or any other undertaking or obligation of the Issuer contained in this Agreement or any untrue or misleading (or allegedly untrue or misleading) statement in or any omission (or alleged omission) from, the Preliminary Offering Circular, the Offering Circular or any supplement thereto the Issuer shall, subject as provided below, pay to that Manager on determination and demand an amount equal to that Loss.

Except as required by law, no Manager shall have any duty or obligation, whether fiduciary or trustee to any Relevant Party or otherwise, to recover any such payment or to account to any other person for any amount paid to it under this paragraph 2.2.

If any proceeding (including a governmental investigation) shall be instituted involving some or all of the Managers or any Relevant Party related to them (together, the "Indemnified Person") in respect of which indemnity may be sought pursuant to this paragraph 2.2, the relevant Manager or Managers shall promptly notify the Issuer in writing and the Issuer shall, unless the relevant Indemnified Person elects to assume the defence itself, assume the defence thereof and appoint lawyers reasonably satisfactory to the relevant Indemnified Person and shall be liable to pay the reasonable fees and expenses of such lawyers related to such proceeding. In any proceeding, any Indemnified Person shall have the right to retain its own lawyers, but the fees and expenses of such lawyers shall be at the expense of such Indemnified Person unless (i) the Issuer and the Indemnified Person shall have mutually agreed to the retention of such lawyers or (ii) the named parties to any such proceeding (including any joined parties) include the Issuer and the Indemnified Person and representation of both parties by the same lawyers would be inappropriate due to actual or potential differing interests between them or (iii) pursuant to the previous sentence the Indemnified Person has elected to assume the defence itself or the Issuer has failed to appoint lawyers reasonably satisfactory to the Indemnified Person. It is understood that the Issuer shall reimburse such reasonable fees and expenses as they are incurred in respect of (i), (ii)

and (iii) above. The Issuer shall not be liable for any settlement of any such proceeding effected without its written consent (provided that such consent shall not be unreasonably withheld or delayed), but if settled with such consent (or without such consent in circumstances where such consent shall have been unreasonably withheld or delayed as aforesaid) or if there be a final judgment for the plaintiff, the Issuer agrees to indemnify the relevant Indemnified Person from and against any loss or liability by reason of such settlement or judgment. The Issuer will not settle any proceeding without the written consent of CSFB (such consent not to be unreasonably withheld).

3. Covenants of the Issuer

The Issuer undertakes with the Managers that:

(a) the Issuer will, on or before the Closing Date, execute the Agency Agreement;

(b) the Issuer will pay any stamp, issue, registration, documentary or other taxes and duties, including interest and penalties, payable in connection with the creation, issue, offering or sale of the Notes or the execution or delivery of this Agreement and the Agency Agreement (and any value added, turnover or similar tax payable in respect of that amount (and references in this Agreement to such amount shall be deemed to include any such taxes so payable in addition to it)) which are or may be required to be paid under the laws of the United States, the United Kingdom or any political subdivision or taxing authority thereof or therein;

(c) the Issuer will deliver to CSFB, on behalf of the Managers, without charge, on the date hereof and hereafter from time to time as requested, such number of copies of the Preliminary Offering Circular and Offering Circular as CSFB, on behalf of the Managers, may reasonably request, and the Issuer will furnish to CSFB, on behalf of the Managers, on the date hereof three copies of the Offering Circular signed by a duly authorised officer of the Issuer;

(d) if at any time prior to the later of completion (in the view of CSFB) of the distribution of the Notes (which shall be notified by CSFB to the Issuer) and the Closing Date any event shall have occurred as a result of which the Offering Circular, as then amended or supplemented, would include an untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they are made when such Offering Circular is delivered, not misleading, the Issuer will notify CSFB, on behalf of the Managers, and, upon request from CSFB, will prepare and furnish without charge to the Managers as many copies as CSFB may from time to time reasonably request of an amended Offering Circular or a supplement to the Offering Circular which will correct such statement or omission; the Issuer will not make any amendment or supplement to the Offering Circular without the prior written consent (not to be unreasonably withheld) of CSFB, on behalf of the Managers provided always that if the Issuer is required to publish supplementary listing particulars, nothing in this paragraph 3(d) should prevent it from doing so;

(e) the Issuer will promptly notify CSFB, on behalf of the Managers, of any material change affecting any of its representations and/or warranties contained herein which occurs prior to payment being made to the Issuer on the Closing Date and will take such steps as may be reasonably practicable and reasonably required by CSFB, on behalf of the Managers, to remedy and/or publicise such material change;

(f) in connection with the application to list the Notes referred to in paragraph 7, the Issuer will furnish from time to time any and all documents, instruments, information and undertakings and publish all advertisements or other material that may be necessary in order to effect and maintain such listing until none of the Notes is outstanding or until such time as payment in respect of principal and interest in respect of all the Notes has been duly provided for, whichever is earlier; and

(g) so long as any of the Notes remains outstanding, the Issuer will furnish to CSFB, and to each other Manager who may so request in writing, copies of each document filed by the Issuer with the UKLA or the London Stock Exchange (each as defined in paragraph 7), and copies of financial statements and other periodic reports that the Issuer may furnish generally to holders of its debt securities.

4. Commissions

In consideration of the agreement by the Managers to act as the Managers in relation to the issue of the Notes and to subscribe and pay for the Notes, the Issuer shall pay to the Managers a commission of 0.20 per cent. of the principal amount of the Notes for management and underwriting. Such commissions shall be deducted from the subscription monies for the Notes as provided in paragraph 6.

5. Costs and Expenses

5.1 The arrangements for the payment of expenses of the issue of the Notes have been separately agreed between the Issuer and CSFB, on behalf of the Managers, in a side letter.

5.2 All payments by the Issuer under this Agreement shall be paid without set-off or counterclaim, and free and clear of and without deduction or withholding for or on account of, any present or future taxes, levies, imposts, duties, fees, assessments or other charges of whatever nature, imposed by the United States, or by any department, agency or other political subdivision or taxing authority thereof, and all interest, penalties or similar liabilities with respect thereto ("U.S. Taxes"). If any U.S. Taxes are required by law to be deducted or withheld in connection with such payments, the Issuer will increase the amount paid so that the full amount of such payment is received by the payee as if no such deduction or withholding had been made.

5.3 All payments in respect of the costs, fees and expenses referred to in this paragraph shall be satisfied by the Issuer making them to CSFB or as it may direct and the Issuer shall not be concerned with the apportionment of such payments between the Managers.

6. Closing

Payment of the net subscription monies for the Notes (namely the Selling Price, less the commission in respect of the Notes referred to in paragraph 4 and less any such amount as may be agreed in respect of the Notes under paragraph 5.1) shall be made by CSFB, on behalf of the Managers, by a common depositary for Clearstream Banking, societe anonyme ("Clearstream, Luxembourg") and Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear Bank") acknowledging that it holds the net subscription monies to the

account of the Issuer at 10.00 a.m. hours (London time) on 13th December, 2001 or such other time and/or date as the Issuer and CSFB, on behalf of the Managers, shall determine (the "Closing Date"), against delivery outside the United States and its possessions to the common depositary of a duly executed temporary global Note (the "Temporary Global Note"), initially representing the Notes, and a duly executed permanent global Note (the "Permanent Global Note", and together with the Temporary Global Note, the "Global Notes"), each in or substantially in the form set out in the Agency Agreement.

7. Listing

7.1 The Issuer shall, if it has not already done so, make an application for the Notes to be listed on the official list (the "Official List") maintained by the UK Listing Authority (the "UKLA") and admitted to the London Stock Exchange plc's ("London Stock Exchange") market for listed securities (which together constitute official listing on the London Stock Exchange). In connection with such application, the Issuer shall endeavour to obtain the listing as promptly as practicable and the Issuer shall furnish any and all documents, instruments, information and undertakings that may be necessary or advisable in order to obtain or maintain the listing.

7.2 The Issuer undertakes that it will arrange for the registration of the listing particulars on the date hereof with the Registrar of Companies in accordance with Section 83 of the FSMA.

7.3 If after the preparation of the Offering Circular for submission to the UKLA and before the commencement of dealings in the Notes following their admission to the Official List:

(a) there is a significant change affecting any matter contained in the Offering Circular whose inclusion was required by section 80 of the FSMA or by the listing rules of the UKLA (the "Listing Rules"); or

(b) a significant new matter arises the inclusion of information in respect of which would have been so required if it had arisen when the Offering Circular was prepared,

the Issuer shall give to CSFB, on behalf of the Managers, full information about the change or matter and shall publish supplementary listing particulars (in a form approved by CSFB acting reasonably) as may be required by the UKLA, and shall otherwise comply with sections 81 and 83 of the FSMA and the Listing Rules in that regard.

7.4 If the Notes cease to be listed on the London Stock Exchange, the Issuer shall use reasonable endeavours to list the Notes, within a reasonable period of time, on a stock exchange to be agreed between the Issuer and CSFB, on behalf of the Managers.

8. Conditions Precedent

8.1 The obligations of the Managers to subscribe and pay for the Notes are subject to the following conditions precedent:

(a) the Agency Agreement shall have been executed by all parties thereto on or prior to the Closing Date;

(b) the official listing of the Notes on the London Stock Exchange (in accordance with paragraph 7.1) shall have occurred on or prior to the Closing Date subject to issue of the Notes;

(c) upon the signing of this Agreement and on the Closing Date, there shall have been delivered to CSFB, on behalf of the Managers, comfort letters in the agreed form, dated the date of this Agreement in the case of the first letter and dated the Closing Date in the case of the second letter, from PricewaterhouseCoopers LLP, the auditors to the Issuer;

(d) on or prior to the Closing Date, there shall have been delivered to CSFB, on behalf of the Managers, opinions, in the agreed form, dated the Closing Date, of:

(i) Morgan, Lewis & Bockius LLP, legal advisers to the Issuer as to U.S. law; and

(ii) Allen & Overy, legal advisers to the Managers as to English law;

(e) at the Closing Date (i) the representations and warranties of the Issuer herein shall be accurate and correct at, and as if made on, the Closing Date; and (ii) the Issuer shall have performed all of its obligations hereunder to be performed on or before the Closing Date; and (iii) there shall have been delivered to CSFB, on behalf of the Managers, a certificate, dated as of the Closing Date, of a duly authorised officer of the Issuer to such effect;

(f) at the Closing Date there shall have occurred no downgrading, nor shall any public announcement have been made of any intended downgrading or placing on creditwatch with negative implications in a rating accorded to any other debt securities of the Issuer by any rating agency; and

(g) at the Closing Date there shall not have occurred any change in the condition (financial or other), business, properties, prospects or results of operations of the Issuer or the Group from the description thereof set forth in the Offering Circular, which makes it, in the reasonable opinion of CSFB, on behalf of the Managers, impracticable to market the Notes on the terms and in the manner contemplated in the Offering Circular.

8.2 If any of the conditions set forth in paragraph 8.1 is not satisfied on or prior to the Closing Date, the parties hereto shall be released and discharged from their respective obligations hereunder (except for any liability of the Issuer for the payment of costs and expenses as provided in paragraph 5 and except for any liability of any party arising before or in connection with such termination). CSFB, on behalf of the Managers, may at its discretion, however, waive compliance with the whole or any part of paragraph 8.1.

8.3 For the purposes of paragraph 8.1 the "agreed form" means the form initialled for identification by Allen & Overy and Denton Wilde Sapte.

9. Restrictions

9.1 Each Manager acknowledges that, except to the extent indicated in this paragraph 9, no action has been taken or will be taken in any jurisdiction by the Managers that would permit a public offering of the Notes, or possession or distribution of the Offering Circular (in preliminary or final form) or any amendment or supplement thereto or any other offering or publicity material relating to the Notes, in any country or jurisdiction where action for that purpose is required. Each Manager will comply with all applicable laws and regulations in each jurisdiction in which it acquires, purchases, offers, sells or delivers Notes or has in its possession or distributes the Offering Circular (in preliminary or final form) or any amendment or supplement thereto or any other offering material, in all cases at its own expense. The Issuer will have no responsibility for obtaining, and each Manager will obtain, any consent, approval or permission required by it for the acquisition, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in or from which it makes any acquisition, offer, sale or delivery. No Manager is authorised to make any representation or use any information in connection with the issue, subscription and sale of the Notes other than as contained in the Offering Circular (in final form) or any amendment or supplement thereto.

9.2 Each Manager acknowledges that the Notes have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S or pursuant to an exemption from the registration requirements of the Securities Act. Each Manager represents and agrees that it has not offered and sold the Notes, and will not offer and sell the Notes (i) as part of their distribution at any time and (ii) otherwise until 40 days after the later of the commencement of the offering and the Closing Date, except in accordance with Rule 903 under the Securities Act. Accordingly, neither such Manager nor its affiliates, nor any persons acting on its or their behalf, have engaged or will engage in any directed selling efforts with respect to the Notes, and such Manager, its affiliates and all persons acting on its or their behalf have complied and will comply with the offering restrictions requirement of Regulation S. Each Manager agrees that, at or prior to confirmation of sale of the Notes, such Manager will have sent to each distributor, dealer or person receiving a selling concession, fee or other remuneration that purchases the Notes from it during the distribution compliance period a confirmation or notice to substantially the following effect:

> "The Securities covered hereby have not been registered under the U.S. Securities Act of 1933 (the "Securities Act") and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (i) as part of their distribution at any time or (ii) otherwise until 40 days after the date of the commencement of the offering and the Closing Date, except in either case in accordance with Regulation S under the Securities Act. Terms used above have the meanings given to them by Regulation S."

Terms used in this sub-paragraph have the meanings given to them by Regulation S.

9.3 (a) Except to the extent permitted under United States Treas. Reg.ss.1.163-5(c)(2)(i)(D) (the "D Rules"), each of the Managers represents and agrees that it (A) has not offered or sold, and during the restricted period will not offer or sell, Notes to a person who is within the United States or its possessions or to a United States person, and (B) has not delivered and will not deliver within the United States or its possessions definitive Notes that are sold during the restricted period.

(b) Each of the Managers represents and agrees that it has and throughout the restricted period will have in effect procedures reasonably designed to ensure that its employees or agents who are directly engaged in selling Notes are aware that such Notes may not be offered or sold during the restricted period to a person who is within the United States or its possessions or to a United States person, except as permitted by the D Rules.

(c) Each of the Managers that is a United States person represents that it is acquiring the Notes for purposes of resale in connection with their original issuance and if it retains Notes for its own account, it will only do so in accordance with the requirements of United States Treas. Reg.ss.1.163-5(c)(2)(i)(D)(6).

(d) With respect to each affiliate of a Manager that acquires Notes from one or more of the Managers for the purpose of offering or selling such Notes during the restricted period, such Manager (A) repeats and confirms the representations and agreements contained in paragraphs 9.3(a), (b) and (c) on its behalf or (B) agrees that it will obtain from such affiliate for the Issuer's benefit the representations and agreements contained in paragraphs 9.3(a), (b) and (c).

(e) Each of the Managers represents and agrees that it will obtain from any distributor (within the meaning of United States Treas. Reg. ss.1.163-5(c)(2)(i)(D)(ii)) that purchases any of the Notes from one or more of the Managers (except a distributor who is an affiliate of such Manager), for the benefit of the Issuer and such Manager, an agreement to comply with the provisions, representations and agreements contained in this sub-paragraph, as if such distributor were a Manager hereunder.

Terms used in this sub-paragraph have the meanings given to them by the Internal Revenue Code of 1986, as amended and regulations thereunder, including the D Rules.

9.4 Each Manager represents and agrees that:

(a) it has not offered or sold and will not offer or sell any Notes to persons in the United Kingdom prior to admission of the Notes to listing in accordance with Part VI of the FSMA except to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of their businesses or otherwise in circumstances which have not resulted and will not result in an offer to the public in the United Kingdom within the meaning of the Public Offers of Securities Regulations 1995 (as amended) or the FSMA;

(b) it has only issued or passed on in the United Kingdom, before the repeal of Section 57 of the Financial Services Act 1986 (the "FSA"), any document received by it in connection with the issue of the Notes, other than any document which consists of or any part of listing particulars, supplementary listing particulars or any other document required or permitted to be published by listing rules under Part IV of the FSA, to a person who is of a kind described in Article 11(3) of the Financial Services Act 1986 (Investment Advertisements) (Exemptions) Order 1996 (as amended) or is a person to

whom the document may otherwise lawfully be issued or passed on and, after the repeal of Section 57 of the FSA, it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer; and

(c) it has complied and will comply with all applicable provisions of the FSA and, after it is brought into force, the FSMA with respect to anything done by it in relation to the Notes in, from or otherwise involving the United Kingdom.

9.5 Each Manager undertakes that it will not, directly or indirectly, offer to sell any Notes or distribute or publish any offering circular, prospectus, form of application, advertisement or other document or information in any country or jurisdiction except under circumstances that will, to the best of its knowledge and belief, result in compliance with any applicable laws and regulations and all offers and sales of Notes by it will be made on the same terms.

9.6 Each Manager undertakes to the Issuer that if the Issuer or any of its directors, officers and/or persons who control the Issuer for the purposes of Section 15 of the Securities Act incurs any loss, liability, cost, claim, action, demand or expenses (including, but not limited to, all reasonable costs, charges or expenses paid or incurred in disputing any of the foregoing) (a "Loss") as a result of or in relation to any failure by that Manager to observe any of the above restrictions or requirements in this paragraph 9, such Manager shall pay to the Issuer on demand an amount equal to that Loss, provided that in the case of any Loss arising from the sale of any Notes to any person believed in good faith by that Manager, on reasonable grounds and after making reasonable investigations, to be a person to whom the Notes could legally be sold or to whom any material could lawfully be given in compliance with the above restrictions and requirements the liability of the Manager for that Loss shall be limited to the amount of Loss that would have been recovered had the action been one for breach of the relevant undertaking rather than in respect of this indemnity. The provisions of clause 2.2 with respect to the conduct and settlement of actions shall apply, mutatis mutandis, to this indemnity.

10. Termination

10.1 Notwithstanding anything contained herein, CSFB, on behalf of the Managers, may, by notice to the Issuer given at any time prior to payment of the net subscription monies for the Notes to the Issuer, terminate this Agreement in any of the following circumstances:

(a) if there shall have come to the notice of the Managers any material breach of, or any event rendering untrue or incorrect in any material respect, any of the warranties and representations contained in paragraph 2 or any material failure to perform any of the Issuer's undertakings or agreements in this Agreement;

(b) if any of the conditions specified in paragraph 8 has not been satisfied or waived by the Managers; or

(c) if, in CSFB's opinion, there shall have been since the date of this Agreement such a change in national or international financial, political or economic conditions or currency exchange rates or exchange controls as would in its view be likely to prejudice materially the success of the offering and distribution of the Notes or dealings in the Notes in the secondary market.

10.2 Upon such notice being given this Agreement shall terminate and be of no further effect and no party shall be under any liability to any other in respect of this Agreement, except that (i) the Issuer shall remain liable under paragraph 5.1 for the payment of the costs and expenses already therein referred to and incurred or reasonably incurred in consequence of such termination and (ii) the parties shall remain liable in respect of any obligations arising before or in connection with such termination.

11. Survival of Representations and Obligations

The representations, warranties, agreements, undertakings and indemnities herein shall continue in full force and effect notwithstanding completion of the arrangements for the subscription and issue of the Notes.

12. Notices

Any notice or notification in any form to be given by the Managers to the Issuer may be delivered in person or sent by letter or facsimile transmission (in the case of notification by facsimile transmission with subsequent confirmation by letter provided, however, that the absence of such confirmation shall not affect the validity of the original notification) addressed to it at 570W, College Avenue, York, Pennsylvania 17405-0872 (Attention: Brian Addison, Secretary, facsimile: 001 717 8494753,).

Any notice or notification to the Managers shall be addressed to them, c/o Credit Suisse First Boston (Europe) Limited, One Cabot Square, London E14 4QJ, England (Attention:Debt Capital Markets, facsimile: 020 7516 3716).

Any such notice shall take effect, in the case of a letter, at the time of delivery. In the case of facsimile transmission at the time of receipt and in the case of a telex on receipt of an answerback confirmation by the sender.

13. Governing Law

This Agreement shall be governed by and construed in accordance with English law.

In relation to any legal action or proceedings arising out of or in connection with this Agreement ("Proceedings") the Issuer and each of the Managers irrevocably submits to the non-exclusive jurisdiction of the courts of England and waives any objection to Proceedings in such courts whether on the grounds that the Proceedings have been brought in an inconvenient forum or otherwise. This submission shall not affect the right of any of the parties to take Proceedings in any other court of competent jurisdiction nor shall the taking of Proceedings in any court of competent jurisdiction preclude any of them from taking Proceedings in any other court of competent Jurisdiction (whether concurrently or not).

The Issuer irrevocably appoints Denton Wilde Sapte of 1 Fleet Place, London EC4M 7WS as its authorised agent for service of process in England. Nothing in this Agreement shall affect the right to serve process in any other manner permitted by law.

14. Counterparts

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original.

15. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

A person who is not a party to this Agreement has no right under the Contracts (Rights of Third Parties) Act 1999 to enforce any term of this Agreement, but this does not affect any right or remedy of a third party which exists or is available apart from that Act.

Please confirm that this Agreement correctly sets out the arrangements agreed between us.

Yours faithfully

DENTSPLY INTERNATIONAL INC.

By: JOHN C. MILES II

To: DENTSPLY INTERNATIONAL INC.

We confirm that the foregoing Agreement correctly sets out the arrangements agreed between us.

Yours faithfully

CREDIT SUISSE FIRST BOSTON (EUROPE) LIMITED

By: ANDREA GULL

UBS AG, ACTING THOUGH ITS BUSINESS GROUP UBS WARBURG;
ABN AMRO BANK N.V.
FIRST UNION SECURITIES, INC.
TOKYO-MITSUBISHI INTERNATIONAL PLC

By: ANDREA GULL

EXHIBIT 4.5(c)

Pages 4 through 16 of the Company's Eurobond Offering Circular dated December 11, 2001.

CONDITIONS OF THE NOTES

The following is the text of the Conditions of the Notes which (subject to modification) will be endorsed on each Note in definitive form (if issued):

The e350,000,000 * per cent. Notes due 2006 (the "Notes", which expression shall in these Conditions, unless the context otherwise requires, include any further notes issued pursuant to Condition 13 and forming a single series with the Notes) of DENTSPLY International Inc. (the "Issuer") are issued subject to and with the benefit of an Agency Agreement dated * December, 2001 (such agreement as amended and/or supplemented and/or restated from time to time, the "Agency Agreement") made between the Issuer, Citibank, N.A. as initial fiscal agent and principal paying agent (the "Fiscal Agent") and the other initial paying agents named in the Agency Agreement (together with the Fiscal Agent, the "Paying Agents").

The statements in these Conditions include summaries of, and are subject to, the detailed provisions of and definitions in the Agency Agreement. Copies of the Agency Agreement are available for inspection during normal business hours by the holders of the Notes (the "Noteholders") and the holders of the interest coupons appertaining to the Notes (the "Couponholders" and the "Coupons", respectively) at the specified office of each of the Paying Agents. The Noteholders and the Couponholders are entitled to the benefit of, are bound by, and are deemed to have notice of, all the provisions of the Agency Agreement applicable to them. References in these Conditions to the Fiscal Agent and the Paying Agents shall include any successor appointed under the Agency Agreement.

1. FORM, DENOMINATION AND TITLE
(1) Form and Denomination
The Notes are in bearer form, serially numbered, in the denominations of e1,000, e10,000 and e100,000 each with Coupons attached on issue.

(2) Title
Title to the Notes and to the Coupons will pass by delivery.

(3) Holder Absolute Owner
The Issuer and any Paying Agent may (to the fullest extent permitted by applicable laws) deem and treat the holder of any Note or Coupon as the absolute owner for all purposes (whether or not the Note or Coupon shall be overdue and notwithstanding any notice of ownership or writing on the Note or Coupon or any notice of previous loss or theft of the Note or Coupon).

2. STATUS
The Notes and the Coupons are direct, unconditional and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and (subject as provided above) rank and will rank pari passu, without any preference among themselves, with all other outstanding unsecured and unsubordinated obligations of the Issuer, present and future, but, in the event of insolvency, only to the extent permitted by applicable laws relating to creditors' rights.

3. NEGATIVE PLEDGE
(1) Negative Pledge
So long as any of the Notes remains outstanding, the Issuer will not, and will procure that none of its Subsidiaries will, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a "Security Interest") other than a Permitted Security Interest upon, or with respect to, any of its present or future business, undertaking, assets or revenues (including any uncalled capital) to secure any Relevant Indebtedness (as defined below), unless the Issuer shall, in the case of the creation by it of a Security Interest, before or at the same time and, in any other case, promptly, take any and all action necessary to ensure that:

(a) all amounts payable by it under the Notes and the Coupons are secured by the Security
Interest equally and rateably with the Relevant Indebtedness; or

(b) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided as shall be approved by an Extraordinary Resolution (which is defined in the Agency Agreement as a resolution duly passed by a majority of not less than three-fourths of the votes cast) of the Noteholders.

(2) Interpretation
For the purposes of these Conditions:

(a) "Permitted Security Interest" means a Security Interest granted by any company prior to its becoming a Subsidiary of the Issuer provided that (i) the Security Interest shall not have been granted in contemplation of such company becoming a

Subsidiary, (ii) the principal amount of Relevant Indebtedness secured by such Security Interest is not increased or extended in maturity after such company becomes a Subsidiary (other than under arrangements entered into prior to such company becoming a Subsidiary but not entered into in contemplation of its becoming a Subsidiary) or in contemplation of such company becoming a Subsidiary and (iii) the Security Interest is not extended in scope after such company becomes a Subsidiary (other than under arrangements entered into prior to such company becoming a Subsidiary but not entered into in contemplation of its becoming a Subsidiary) or in contemplation of such company becoming a Subsidiary;

(b) "Relevant Indebtedness" means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other similar securities and (ii) any guarantee or indemnity of any such indebtedness; and

(c) "Subsidiary" means, in relation to the Issuer, a company (i) in which the Issuer holds a majority of the voting rights, (ii) of which the Issuer is a member and has the right to appoint or remove a majority of its board of directors or (iii) of which the Issuer is a member and in which the Issuer controls (whether or not pursuant to an agreement with other shareholders or members) a majority of the voting rights and includes any company which is itself a subsidiary (on the basis of one of the above tests) of a subsidiary of the Issuer.

4. INTEREST

(1) Interest Rate and Interest Payment Dates

The Notes bear interest from and including December, 2001 at the rate of per cent. per annum, payable annually in arrear on * December (each an "Interest Payment Date"). The first payment (representing a full year's interest) shall be made on * December, 2002.

(2) Interest Accrual

Each Note will cease to bear interest from and including its due date for redemption unless, upon due presentation, payment of the principal in respect of the Note is improperly withheld or refused or unless default is otherwise made in respect of payment. In such event, interest will continue to accrue until whichever is the earlier of:

(a) the date on which all amounts due in respect of such Note have been paid; and

(b) five days after the date on which the full amount of the moneys payable in respect of such Notes has been received by the Fiscal Agent and notice to that effect has been given to the Noteholders in accordance with Condition 11.

(3) Calculation of Broken Interest

When interest is required to be calculated in respect of a period of less than a full year, it shall be calculated on the basis of (a) the actual number of days in the period from and including the date from which interest begins to accrue (the "Accrual Date") to but excluding the date on which it falls due divided by (b) the actual number of days from and including the Accrual Date to but excluding the next following Interest Payment Date.

5. PAYMENTS

(1) Payments in respect of Notes

Payments of principal and interest in respect of each Note will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the Note, except that payments of interest due on an Interest Payment Date will be made against presentation and surrender (or, in the case of part payment only, endorsement) of the relevant Coupon, in each case at the specified office outside the United States and its possessions of any of the Paying Agents.

(2) Method of Payment

Payments will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee or, at the option of the payee, by euro cheque. In no event will an interest payment with respect to a Note be made by transfer to an account maintained by the payee with a bank in the United States or its possessions or by cheque mailed to any address in the United States or its possessions.

(3) Missing Unmatured Coupons
Each Note should be presented for payment together with all relative unmatured Coupons, failing which the full amount of any relative missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the full amount of the missing unmatured Coupon which the amount so paid bears to the total amount due) will be deducted from the amount due for payment. Each amount so deducted will be paid in the manner mentioned above against presentation and surrender (or, in the case of part payment only, endorsement) of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 7) in respect of the relevant Note (whether or not the Coupon would otherwise have become void pursuant to Condition 8).

(4) Payments subject to Applicable Laws
Payments in respect of principal and interest on Notes are subject in all cases to any fiscal or other laws and regulations applicable in the place of payment, but without prejudice to the provisions of Condition 7.

(5) Payment only on a Presentation Date
A holder shall be entitled to present a Note or Coupon for payment only on a Presentation Date and shall not, except as provided in Condition 4, be entitled to any further interest or other payment if a Presentation Date is after the due date.
"Presentation Date" means a day which (subject to Condition 8):

(a) is or falls after the relevant due date;

(b) is a Business Day in the place of the specified office of the Paying Agent at which the Note or Coupon is presented for payment; and

(c) is a TARGET Settlement Day.

In this Condition, "Business Day" means, in relation to any place, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in that place and "TARGET Settlement Day" means a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET) System is open.

(6) Initial Paying Agents

The names of the initial Paying Agents and their initial specified offices are set out at the end of these Conditions. The Issuer reserves the right at any time to vary or terminate the appointment of any Paying Agent and to appoint additional or other Paying Agents provided that it will at all times maintain a Paying Agent having its specified office in a European city which, so long as the Notes are admitted to official listing on the Official List of the UK Listing Authority and to trading on theLondon Stock Exchange, shall be London or such other place as the London Stock Exchange or any other relevant authority may approve. In addition, if any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive is introduced, the Issuer will ensure that there is a Paying Agent in a Member State (if any) of the European Union that will not be obliged to withhold or deduct tax pursuant to any such Directive or law. Notice of any termination or appointment and of any changes in specified offices shall be given to the Noteholders promptly by the Issuer in accordance with Condition 11.

6. REDEMPTION AND PURCHASE

(1) Redemption at Maturity

Unless previously redeemed or purchased and cancelled as provided below, the Issuer will redeem the Notes at their principal amount on * December, 2006.

(2) Redemption for Taxation Reasons

If:

(a) (i) as a result of any change in, or amendment to, the laws or regulations of the United States or any State therein, or any change in the official interpretation of such laws or regulations, which change or amendment becomes effective after * December, 2001, on the next Interest Payment Date the Issuer would be required to pay additional amounts as provided or referred to in Condition 7 and (ii) the requirement cannot be avoided by the Issuer taking reasonable measures available to it, the Issuer may at its option, having given not less than 30 nor more than 60 days' notice to the Noteholders in accordance with Condition 11 (which notice shall be irrevocable), redeem all the Notes, but not some only, at any time at their principal amount together with interest accrued to but excluding the date of redemption, provided that no notice of redemption shall be given earlier than 90 days before the earliest date on which the Issuer would be required to pay the additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the Issuer shall deliver to the Fiscal Agent a certificate signed by two officers of the Issuer whose names appear on a list of officers authorised for the purpose and previously supplied to the Fiscal Agent by the Issuer stating that the requirement referred to in (i) above will apply on the next Interest Payment Date and cannot be avoided by the Issuer taking reasonable measures available to it and an opinion of independent legal advisers of recognised standing to the effect that the Issuer has or will become obliged to pay such additional amounts as a result of the change or amendment; or

(b) the Issuer determines that any payment made outside the United States by it or any Paying Agent of principal or interest due in respect of the Notes or Coupons would, under any present or future laws or regulations of the United States, be subject to any certification, documentation, information or other reporting requirement of any kind, the effect of which requirement would be the disclosure to the Issuer, any Paying Agent or any governmental authority of the nationality, residence or identity of a beneficial owner of such Note or Coupon who is a United States Alien (as defined in Condition 7(3)) (other than such a requirement (I) which would not be applicable to a payment made by the Issuer or any of its Paying Agents (A) directly to the beneficial owner or (B) to a custodian, nominee or other agent of the beneficial owner or (ii) which can be satisfied by such custodian, nominee or other agent certifying to the effect that such beneficial owner is a United States Alien, provided that, in each case referred to in (i)(B) and (ii), payment by such custodian, nominee or agent to such beneficial owner is not otherwise subject to any such requirement), the Issuer will, at its election, either (x) redeem all (but not some only) of the Notes at their principal amount together with interest accrued to but excluding the date of redemption or (y) if and so long as the provisions of Condition 7(2) are satisfied, pay the additional amounts specified in such paragraph. The Issuer will publish prompt notice of its election (the "Determination Notice"), stating the effective date of such certification, documentation, information or other reporting requirement, whether the Issuer has elected to redeem the Notes or to pay such additional amounts and (if applicable) the last date by which the redemption of the Notes must take place. If the Issuer elects to redeem such Notes, such redemption will take place on such date, not later than one year after the publication of the Determination Notice, as the Issuer may specify by notice to the Noteholders in accordance with Condition 11 at least 30 days before the date fixed for redemption. Notwithstanding the foregoing, the Issuer will not so redeem the Notes if the Issuer subsequently determines, not less than 30 days prior to the redemption date, that subsequent payments in respect of the Notes or Coupons would not be subject to any such certification, documentation, information or other reporting requirement, in which case the Issuer will publish prompt notice of such determination and any earlier redemption notice will be revoked and of no further effect.

(3) Purchases
The Issuer or any of its Subsidiaries (as defined above) may at any time purchase Notes (provided that all unmatured Coupons appertaining to the Notes are purchased with the Notes) in any manner and at any price. If purchases are made by tender, tenders must be available to all Noteholders alike.

(4) Cancellations
All Notes which are (a) redeemed or (b) purchased by or on behalf of the Issuer or any of its
Subsidiaries will forthwith be cancelled, together with all relative unmatured Coupons attached to
the Notes or surrendered with the Notes, and accordingly may not be reissued or resold.

(5) Notices Final
Upon the expiry of any notice as is referred to in paragraph (2) above the Issuer shall be bound to
redeem the Notes to which the notice refers in accordance with the terms of such paragraph.

7. TAXATION

(1) Payment without Withholding
All payments in respect of the Notes and Coupons by or on behalf of the Issuer shall be made without withholding or deduction for, or on account of, any present or future taxes, duties, assessments or governmental charges imposed or levied by or on behalf of the United States or any political subdivision or any authority thereof or therein, unless the withholding or deduction is required by law. In that event, the Issuer will pay such additional amounts as may be necessary in order that the net amounts received by the Noteholders and Couponholders after the withholding or deduction shall equal the respective amounts which otherwise would have been receivable in respect of the Notes or, as the case may be, Coupons in the absence of the withholding or deduction; except that no additional amounts shall be payable in respect of a withholding or deduction on account of any one or more of the following:

(a) any tax, assessment or other governmental charge which would not have been imposed but for (i) the existence of any present or former connection between such holder (or between a fiduciary, settlor, beneficiary, member or shareholder of, or possessor of a power over, such holder, if such holder is an estate, a trust, a partnership, a corporation or another entity, as the case may be) and the United States or any political subdivision or territory or possession thereof, including, without limitation, such holder (or such fiduciary, settlor, beneficiary, member, shareholder or possessor of a power over) being or having been a citizen or resident or treated as a resident thereof or being or having been present or engaged in trade or business therein or having or having had a permanent establishment therein or otherwise having or having had some connection with the United States or such political subdivision, territory or possession other than the mere holding or ownership of a Note or Coupon or (ii) such holder's present or former status as (A) a personal holding company, foreign personal holding company or a controlled foreign corporation with respect to the United States, (B) a corporation which accumulates earnings to avoid United States federal income tax, (C) a private foundation or other exempt organisation or (D) a bank receiving interest described in section 881(C)(3)(A) of the United States Internal Revenue Code of 1986, as amended;

(b) any tax, assessment or other governmental charge which would not have been so imposed but for presentation by the holder of a Note or Coupon for payment on a date more than 15 days after the Relevant Date;

(c) any estate, inheritance, gift, sales, transfer or personal property tax or any similar tax, assessment or other governmental charge;

(d) any tax, assessment or other governmental charge which would not have been imposed but for the failure to comply with certification, documentation, information or other reporting requirements concerning the nationality, residence, identity or connection with the United States or any political subdivision thereof of the holder or beneficial owner of such Note or Coupon, if, without regard to any tax treaty, such compliance is required by a statute or by regulation or administrative practice of the United States as a precondition to relief or exemption from such tax, assessment or other governmental charge;

(e) any tax, assessment or other governmental charge which is (i) payable otherwise than by deduction or withholding from payments on such Note or Coupon or (ii) required to be withheld by a Paying Agent from any such payment, if such payment can be made without such withholding by any other Paying Agent outside the United States;

(f) any tax, assessment or other governmental charge imposed on a person holding, actually or constructively, 10 per cent. or more of a total combined voting power of all classes of stock of the Issuer or that is a controlled foreign corporation related to the Issuer through stock ownership;

(g) a withholding or deduction imposed on a payment to an individual and required to be made pursuant to any European Union Directive on the taxation of savings implementing the conclusions of the ECOFIN Council meeting of 26th-27th November, 2000 or any law implementing or complying with, or introduced in order to conform to, such Directive; or

(h) a withholding or deduction which would not have been made had the relevant Note or Coupon been presented to a Paying Agent in another Member State of the European Union;

nor will Additional Amounts be paid with respect to a payment on a Note or Coupon to any person which is a fiduciary or partnership or other than the sole beneficial owner of such Note or Coupon to the extent a beneficiary or settlor with respect to such fiduciary or a member of such partnership or a beneficial owner would not have been entitled to the additional amounts had such beneficiary, settlor, member or beneficial owner been the holder of such Note or Coupon.

(2) Backup Withholding
If and so long as the certification, documentation, information or other reporting requirements referred to in Condition 6(2)(b) would be fully satisfied by payment of a backup withholding tax or similar charge, the Issuer may elect, by so stating in the Determination Notice, to have the provisions of this Condition 7(2) apply in lieu of the provisions of Condition 6(2)(b). In such event, the Issuer will pay as additional interest such amounts as may be necessary so that any net payment made following the effective date of such requirements outside the United States by the Issuer or any of its Paying Agents of principal or interest due in respect of the Notes or Coupons of which the beneficial owner is a United States Alien (but without any requirement that the nationality, residence or identity, other than status as a United States Alien, of such beneficial owner be disclosed to the Issuer, any Paying Agent or any governmental authority), after deduction or withholding for or on account of such backup withholding tax or similar charge (other than a backup withholding tax or similar charge which (a) is the result of certification, documentation, information or other reporting requirements described in the second parenthetical clause of the first sentence of Condition 6(2)(b), (b) is imposed as a result of the fact that the Issuer or any of the Paying Agents has actual knowledge that the beneficial owner of such Note or Coupon is within the category of persons described in subparagraph (a) of Condition 7(1), or (c) is imposed as a result of presentation of such Note or Coupon for payment more than 15 days after the Relevant Date), will not be less than the amount provided for in the Notes or Coupons to be then due and payable. If the Issuer elects to pay additional amounts pursuant to this Condition 7(2), the Issuer shall have the right to redeem all (but not some only) of the Notes subject to the provisions of Condition 6(2)(b).

(3) Interpretation
In these Conditions:

(a) "Relevant Date" means the date on which the payment first becomes due but, if the full amount of the money payable has not been received by the Fiscal Agent on or before the due date, it means the date on which, the full amount of the money having been so received, notice to that effect shall have been duly given to the Noteholders by the Issuer in accordance with Condition 11;

(b) "United States Alien" means any person who, for United States federal income tax purposes, is a foreign corporation, a non-resident alien individual, a non-resident alien fiduciary of a foreign estate or trust, or a foreign partnership or other entity one or more of the members of which is, for United States federal income tax purposes, a foreign corporation, a non-resident alien individual or a non-resident alien fiduciary of a foreign estate or trust; and

(c) "United States" means the United States of America or any political subdivision or any authority thereof or therein having power to tax or any other jurisdiction or any political subdivision or any authority thereof or therein having power to tax to which the Issuer becomes subject in respect of payments made by it of principal and interest on the Notes and Coupons.

(4) Additional Amounts
Any reference in these Conditions to any amounts in respect of the Notes shall be deemed also to refer to any additional amounts which may be payable under this Condition.

8. PRESCRIPTION
Notes and Coupons will become void unless presented for payment within periods of 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date in respect of the Notes or, as the case may be, the Coupons, subject to the provisions of Condition 5.

9. EVENTS OF DEFAULT

(1) Events of Default
The holder of any Note may give notice to the Issuer that the Note is, and it shall accordingly forthwith become, immediately due and repayable at its principal amount, together with interest accrued to the date of repayment, if any of the following events ("Events of Default") shall have occurred and be continuing:

(a) if default is made in the payment of any principal or interest due in respect of the Notes or any of them and the default continues for a period of five days in the case of payment of interest; or

(b) if the Issuer fails to perform or observe any of its other obligations under these Conditions and (except in any case where the failure is incapable of remedy when no continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by any Noteholder on the Issuer of notice requiring the same to be remedied; or

(c) if: (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer or any of its Subsidiaries becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer or any of its Subsidiaries fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer or any of its Subsidiaries for any Indebtedness for Borrowed Money becomes enforceable; (iv) default is made by the Issuer or any of its Subsidiaries in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person; or

(d) if the Issuer or any Material Subsidiary makes an assignment for the benefit of creditors or is generally not paying its debts as such debts become due; or

(e) if any decree or order for relief in respect of the Issuer or any Material Subsidiary is entered under any bankruptcy, reorganisation, compromise, arrangement, insolvency, readjustment of debt, dissolution or liquidation or similar law, whether now or hereafter in effect (herein called the "Bankruptcy Law") of any jurisdiction; or

(f) if the Issuer or any Material Subsidiary petitions or applies to any tribunal for, or consents to, the appointment of, or taking possession by, a trustee, receiver, custodian, liquidator or similar official of the Issuer or any Material Subsidiary, or of any substantial part of the assets of the Issuer or any Material Subsidiary, or commences a voluntary case under the Bankruptcy Law of the United States or any proceedings (other than proceedings for the voluntary liquidation and dissolution of a Material Subsidiary where all the surplus assets of such Material Subsidiary attributable to the Issuer are transferred to the Issuer or another Subsidiary) relating to the Issuer or any Material Subsidiary under the Bankruptcy Law of any other jurisdiction; or

(g) if any petition or application of the type referred to in paragraph (f) above is filed, or any such proceedings are commenced, against the Issuer or any Material Subsidiary and the Issuer or such Material Subsidiary by any act indicates its approval thereof, consent thereto or acquiescence therein, or an order, judgment or decree is entered appointing such trustee, receiver, custodian, liquidator or similar official, or approving the petition in any such proceedings, and such order, judgment or decree remains unstayed and in effect for more than 30 days; or

(h) if any order, judgment or decree is entered in any proceedings against the Issuer or any Material Subsidiary decreeing the dissolution of the Issuer or any Material Subsidiary and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(i) if any order, judgment or decree is entered in any proceedings against the Issuer or any Material Subsidiary decreeing a split-up of the Issuer or such Material Subsidiary which requires the divestiture of assets representing a substantial part of the consolidated assets of the Issuer and its Subsidiaries or which requires the divestiture of assets which shall have contributed a substantial part of Consolidated Net Income for any of the three fiscal years then most recently ended, and such order, judgment or decree remains unstayed and in effect for more than 60 days; or

(j) if one or more final judgments in an aggregate amount in excess of U.S.$10,000,000 is rendered against the Issuer or any Subsidiary and, within 60 days after entry thereof, or within 60 days after the expiration of any stay, such judgment is not discharged; or

(k) if any event occurs which under the laws of any relevant jurisdiction has an analogous effect to any of the events referred to in paragraphs (d) to (j) above; or

(l) if the Issuer or any of its Material Subsidiaries ceases or threatens to cease to carry on the whole or a substantial part of its business, save (i) in the case of a Material Subsidiary, where the business or a substantial part of it is transferred to the Issuer or another Subsidiary, (ii) in the case of a solvent winding up of a Material Subsidiary where any surplus assets attributable to the Issuer are distributed to the Issuer or one or more other Subsidiaries or (iii) for the purposes of any other reorganisation on terms approved by an Extraordinary Resolution of Noteholders; or

(m) if the validity of the Notes is contested by the Issuer or the Issuer denies any of its obligations under the Notes or the Agency Agreement or it is or will become unlawful under English or United States law for the Issuer to perform or comply with any of its obligations under or in respect of the Notes or the Agency Agreement or any of such obligations shall be or become unenforceable or invalid.

(2) Interpretation
For the purposes of this Condition:

"Consolidated" shall mean, as applied to any financial or accounting term, such term determined on a consolidated basis in accordance with accounting principles generally accepted in the United States (except as otherwise required herein) for the Issuer and each Subsidiary which is a Consolidated Subsidiary of the Issuer;

"Consolidated Net Income" shall mean the net income (or net loss) of the Issuer and its Consolidated Subsidiaries for the period in question (taken as a whole), as determined in accordance with generally accepted accounting principles; provided that there shall be excluded:

(a) the net income (or net loss) of any person accrued prior to the date it becomes a Subsidiary or is merged into or consolidated with the person whose net income is being determined or a subsidiary of such person; and

(b) the net income (or net loss) of any person (other than a Subsidiary) in which the person whose net income is being determined or any subsidiary of such person has an ownership interest, except to the extent that any such income has actually been received by such person in the form of cash dividends or similar distributions;

"Consolidated Net Worth" shall mean, as at any date of determination, the sum of the capital stock (less treasury stock), additional paid-in capital plus retained earnings (or minus accumulated deficit), other comprehensive income or loss and unearned ESOP compensation of the Issuer and its Consolidated Subsidiaries on a consolidated basis;

"Consolidated Subsidiary" means, in the case of the Issuer at any date, any Subsidiary or other entity the accounts of which are Consolidated with those of the Issuer in the Consolidated financial statements of the Issuer as of such date;

"Indebtedness for Borrowed Money" means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit where the principal amount of such indebtedness is U.S.$10,000,000 or more (or its equivalent in any other currency or currencies); and

"Material Subsidiary" shall mean any Subsidiary (i) which provided 5 per cent. or more of Consolidated Net Income during the fiscal year of the Issuer most recently ended at any time of determination, (ii) whose tangible assets represented 5 per cent. or more of the tangible assets of the Issuer and its Subsidiaries on a consolidated basis as of the last day of the fiscal year of the Issuer most recently ended at any time of determination, or (iii) whose net worth represented 5 per cent. or more of Consolidated Net Worth as of the last day of the fiscal year of the Issuer most recently ended at any time of determination; provided that, if at any time the aggregate amount of net income, tangible assets or net worth of all Subsidiaries incorporated or otherwise organised in the United States that are not Material Subsidiaries exceeds 15 per cent. of

Consolidated Net Income for any such fiscal year, 15 per cent. of Consolidated tangible assets of the Issuer and its Subsidiaries as of the end of such fiscal year or 15 per cent. of Consolidated Net Worth as of the end of any such fiscal year (as applicable), the Issuer shall designate as "Material Subsidiaries" Subsidiaries incorporated or otherwise organised in the United States sufficient to eliminate such excess, and such designated Subsidiaries incorporated in the United States shall for all purposes of these Conditions constitute Material Subsidiaries.

10. REPLACEMENT OF NOTES AND COUPONS

Should any Note or Coupon be lost, stolen, mutilated, defaced or destroyed it may be replaced at the specified office of the Fiscal Agent, upon payment by the claimant of the expenses incurred in connection with the replacement and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

11. NOTICES

All notices to the Noteholders will be valid if published in a leading English language daily newspaper published in London or such other English language daily newspaper with general circulation in Europe as the Issuer may decide. It is expected that publication will normally be made in the Financial Times. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules and regulations of any stock exchange or other relevant authority on which the Notes are for the time being quoted or listed. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers.

12. MEETINGS OF NOTEHOLDERS AND MODIFICATION

(1) Provisions for Meetings

The Agency Agreement contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the modification by Extraordinary Resolution of these Conditions or the provisions of the Agency Agreement. The quorum at any meeting for passing an Extraordinary Resolution will be one or more persons present holding or representing more than 50 per cent. in principal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons present whatever the principal amount of the Notes held or represented by him or them, except that at any meeting the business of which includes the modification of certain of these Conditions the necessary quorum for passing an Extraordinary Resolution will be one or more persons present holding or representing not less than two-thirds, or at any adjourned meeting not less than one-third, of the principal amount of the Notes for the time being outstanding. An Extraordinary Resolution passed at any meeting of the Noteholders will be binding on all Noteholders, whether or not they are present at the meeting, and on all Couponholders.

(2) Modification

The Fiscal Agent may agree, without the consent of the Noteholders or Couponholders, to any modification of any of these Conditions or any of the provisions of the Agency Agreement either (i) for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained herein or therein or (ii) in any manner which is not materially prejudicial to the interests of the Noteholders. Any modification shall be binding on the Noteholders and the Couponholders and, unless the Fiscal Agent agrees otherwise, any modification shall be notified by the Issuer to the Noteholders as soon as practicable thereafter in accordance with Condition 11.

13. FURTHER ISSUES

The Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes, having conditions the same as those of the Notes, or the same except for the amount of the first payment of interest, which may be consolidated and form a single series with the outstanding Notes.

14. GOVERNING LAW AND SUBMISSION TO JURISDICTION

(1) Governing Law

The Agency Agreement, the Notes and the Coupons are governed by, and will be construed in accordance with, English law.

(2) Jurisdiction of English Courts

The Issuer irrevocably agrees for the benefit of the Noteholders and the Couponholders that the courts of England are to have jurisdiction to settle any disputes which may arise out of or in connection with the Notes or the Coupons and that accordingly any suit, action or proceedings arising out of or in connection therewith (together referred to as "Proceedings") may be brought in the courts of England. The Issuer irrevocably and unconditionally waives and agrees not to raise any objection which it may have now or subsequently to the laying of the venue of any Proceedings in the courts of England and any claim that any Proceedings have been brought in an inconvenient forum and further irrevocably and unconditionally agrees that a judgment in any Proceedings brought in the courts of England shall be conclusive and binding upon it and may be enforced in the courts of any other jurisdiction. Nothing in this Condition shall limit any right to take Proceedings against the Issuer in any other court of competent jurisdiction, nor shall the taking of Proceedings in one or more jurisdictions preclude the taking of Proceedings in any other jurisdiction, whether concurrently or not.

(3) Appointment of Process Agent

The Issuer hereby irrevocably and unconditionally appoints Denton Wilde Sapte of 1 Fleet Place, London EC4M 7WS as its agent for service of process in England in respect of any Proceedings and undertakes that in the event of such agent ceasing so to act it will appoint another person as its agent for that purpose.

SUMMARY OF PROVISIONS RELATING TO THE NOTES WHILE REPRESENTED BY THE GLOBAL NOTES

The following is a summary of the provisions to be contained in the Global Notes which will apply to, and in some cases modify, the Conditions of the Notes while the Notes are represented by the Global Notes.

1. Exchange

The Permanent Global Note will be exchangeable in whole but not in part (free of charge to the holder) for definitive Notes only if:

(a) an event of default (as set out in Condition 9) has occurred and is continuing; or

(b) both Euroclear Bank and Clearstream, Luxembourg are closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or announce an intention permanently to cease business or do in fact do so and no successor clearing system is available; or

(c) the Issuer has or will become subject to adverse tax consequences which would not be suffered were the Notes in definitive form; or

(d) the Issuer receives a notice from or on behalf of one or more Accountholders (as defined below) requiring such exchange.

The Issuer will promptly give notice to Noteholders if an Exchange Event occurs. In the case of (a), (b) or (d) above, the holder of the Permanent Global Note, acting on the instructions of one or more of the Accountholders, may give notice to the Issuer and the Fiscal Agent and, in the case of (c) above, the Issuer may give notice to the Fiscal Agent and the Noteholders of its intention to exchange the Permanent Global Note for definitive Notes on or after the Exchange Date (as defined below).

On or after the Exchange Date the holder of the Permanent Global Note may or, in the case of (c) above, shall surrender the Permanent Global Note to or to the order of the Fiscal Agent. In exchange for the Permanent Global Note the Issuer will deliver, or procure the delivery of, an equal aggregate principal amount of definitive Notes (having attached to them all Coupons in respect of interest which has not already been paid on the Permanent Global Note), security printed in accordance with any applicable legal and stock exchange requirements and in or substantially in the form set out in the Agency Agreement. On exchange of the Permanent Global Note, the Issuer will procure that it is cancelled and, if the holder so requests, returned to the holder together with any relevant definitive Notes.

"Exchange Date" means a day specified in the notice requiring exchange falling not less than 60 days after that on which such notice is given, being a day on which banks are open for business in the place in which the specified office of the Fiscal Agent is located and, except in the case of exchange pursuant to (b) above, in the place in which the relevant clearing system is located.

2. Payments

On and after * January, 2002, no payment will be made on the Temporary Global Note unless exchange for an interest in the Permanent Global Note is improperly withheld or refused. Payments of principal and interest in respect of Notes represented by a Global Note will, subject as set out below, be made against presentation for endorsement and, if no further payment falls to be made in respect of the Notes, surrender of the relevant Global Note to the order of the Fiscal Agent or such other Paying Agent as shall have been noti(R)ed to the Noteholders for the purpose. A record of each payment made will be endorsed on the appropriate part of the schedule to the relevant Global Note by or on behalf of the Fiscal Agent, which endorsement shall be prima facie evidence that payment has been made in respect of the Notes. Payments of interest on the Temporary Global Note (if permitted by the first sentence of this paragraph) will be made only upon certification as to non-U.S. beneficial ownership unless such certification has already been made.

3. Notices

For so long as all of the Notes are represented by one or both of the Global Notes representing the Notes and such Global Note(s) is/are held on behalf of Euroclear Bank and/or Clearstream, Luxembourg, notices to holders of the Notes may be given by delivery of the relevant notice to Euroclear Bank and/or Clearstream, Luxembourg (as the case may be) for communication to the relevant Accountholders rather than by publication as required by Condition 11, provided that, so long as the Notes are admitted to official listing on the London Stock Exchange, the London Stock Exchange and any other relevant authority so agrees.

Any such notice shall be deemed to have been given to the holders of the Notes on the seventh day after the day on which such notice is delivered to Euroclear Bank and/or Clearstream, Luxembourg (as the case may be) as aforesaid.

4. Accountholders

For so long as all of the Notes are represented by one or both of the Global Notes representing the Notes and such Global Note(s) is/are held on behalf of Euroclear Bank and/or Clearstream, Luxembourg, each person who is for the time being shown in the records of Euroclear Bank or Clearstream, Luxembourg as the holder of a particular principal amount of the Notes (each an "Accountholder") (in which regard any certificate or other document issued by Euroclear Bank or Clearstream, Luxembourg as to the principal amount of the Notes standing to the account of any person shall be conclusive and binding for all purposes) shall be treated as the holder of such principal amount of the Notes for all purposes (including for the purposes of any quorum requirements of, or the right to demand a poll at, meetings of the Noteholders) other than with respect to the payment of principal and interest on the Notes, the right to which shall be vested, as against the Issuer, solely in the bearer of the relevant Global Note in accordance with and subject to its terms. Each Accountholder must look solely to Euroclear Bank or Clearstream, Luxembourg, as the case may be, for its share of each payment made to the bearer of the relevant Global Note.

5. Prescription

Claims against the Issuer in respect of principal and interest on the Notes represented by a Global Note will be prescribed after 10 years (in the case of principal) and five years (in the case of interest) from the Relevant Date (as defined in Condition 7).

6. Cancellation

Cancellation of any Note represented by a Global Note and required by the Conditions of the Notes to be cancelled following its redemption or purchase will be effected by endorsement by or on behalf of the Fiscal Agent of the reduction in the principal amount of the relevant Global Note on the relevant part of the schedule thereto.

7. Euroclear Bank and Clearstream, Luxembourg

References in the Global Notes and in the Conditions to Euroclear Bank and/or Clearstream, Luxembourg shall be deemed to include references to any other clearing system through which interests in the Notes are held.

EXHIBIT 10.15

EMPLOYMENT AGREEMENT

BETWEEN

DENTSPLY INTERNATIONAL INC.

AND

RUDOLF LEHNER

THIS AGREEMENT is entered into effective as of October 1, 2001, by and between DENTSPLY International Inc., a Delaware USA corporation ("the Company") and Rudolf Lehner, ("Employee").

WHEREAS, Employee currently is a Managing Director and holds the title of Chief Operating Officer for Degussa Dental GmbH & Co. KG ("DD") under a service contract dated July 4, 2000 (the "Service Contract");

WHEREAS, Dentsply, through its indirect wholly owned subsidiary, Dentsply Hanau KG ("Dentsply Hanau"), is acquiring DD;

WHEREAS, Dentsply and Employee desire to enter an agreement for the employment of Employee, in connection with the business of Dentsply Hanau, to replace all prior Service Contracts; and

WHEREAS, it is in the best interest of the Company and Employee that the terms and conditions of Employee's services be formally set forth.

NOW THEREFORE, in consideration of the mutual covenants herein, the parties agree as follows:

1. Services

1.1 The Service Contract between Employee and DD is terminated as of the effective date of this Agreement.

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1.2 The Employee shall be employed by Dentsply and Employee accepts such employment and agrees to serve the Chief Operating Officer of Dentsply Hanau until July 2, 2002 and, thereafter, as a Senior Vice President of the Company, responsible for the operations of Dentsply Hanau, effective as of the date stated above, and, if elected thereto, as an officer or director of any Affiliate, for the term and on the conditions herein set forth. Employee shall be responsible for the activities and duties presently associated with this position. Employee shall perform such other services not inconsistent with his position as shall from time to time be assigned to him by the Board of Directors, the Chief Executive Officer or the President of the Company. Employee's services shall be performed at a location suitable for the performance of the Employee's assigned duties.

1.3 Employee shall at all times devote his full business time and efforts to the performance of his duties and to promote the best interests of the Company and its Affiliates.

2. Period of Employment. Employment of the Employee hereunder shall begin and continue from the effective date set forth above and terminate on the happening of any of the following events:

2.1 Death The date of death of Employee;

2.2 Termination by Employee Without Good Reason The date specified in a written notice of termination given to the Company by Employee not less than one hundred eighty (180) days in advance of such specified date, at which date the Employee's obligation to perform services pursuant to this Agreement shall cease.

2.3 Termination by Employee with Good Reason Thirty (30) days following the date of a written notice of termination given to the Company by Employee within thirty (30) days after any one or more of the following events have occurred:

(a) failure by the Company to maintain the duties, status and responsibilities of the Employee at a level substantially no less than those of Employee's

position as of the date of the Agreement, or

(b) a reduction by the Company in Employee's base salary as in effect as of the date hereof plus all increases therein subsequent thereto; other than any reduction implemented as part of a formal austerity program approved by the Board of Directors of Dentsply and applicable to all continuing employees of the Company, provided such reduction does not reduce Employee's salary by a percentage greater than the average reduction in the compensation of all employees who continue as employees of the Company during such austerity program; or

(c) the failure of the Company to maintain and to continue Employee's participation in the benefit plans of the Company or Dentsply Hanau, as applicable, in accordance with the provisions of such 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; or

(d) any substantial and uncorrected breach of the Agreement by the Company.

2.4 Termination by the Company Upon written notice of termination given to Employee by the Company not less than one hundred eighty (180) days in advance of the date of termination, the Employee's obligation to perform services pursuant to this Agreement shall cease as of the date of termination stated in such notice. The Company may release the Employee from the performance of services after the provision of notice of termination.

3. Payments to Employee

3.1 During the Period of Employment, the Employee shall be paid for all services to be performed by Employee hereunder, a salary of not less than 262,824 Euro per annum during 2001 and 295,677 Euro per annum beginning in 2002, or such larger amount as may from time to time be fixed by the Board of Directors of the Company or, if applicable, by the Human Resources (or successor) Committee of the Board, payable in accordance with the normal pay schedule for Dentsply Hanau, or other Affiliate where Employee may be working.

3.2 During the Period of Employment, Employee shall be entitled to participate in all plans and other benefits made available by the Company generally to its German operations executive employees, provided that Employee will be paid a bonus amount by the Company so that Employee's total bonus in 2001 paid by DD and the Company is no less than 109,510 Euro. Any payments to be made to Employee under other provisions of this Section 3 shall not be diminished by any payments made or to be made to Employee or his designees pursuant to any such plan, nor shall any payments to be made to Employee or his designees pursuant to any such plan be diminished by any payment made or to be made to Employee under other provisions of this Section 3.

3.3 Upon termination of the Period of Employment for whatever reason, Employee shall be entitled to receive the compensation accrued and unpaid as of the date of his termination. If Employee at the time of termination is eligible to participate in any Company incentive or bonus plan then in effect, Employee shall be entitled to receive a pro-rata share of such incentive or bonus award based upon the number of days he is employed during the plan year up to the date of his termination. Such pro-rata amount shall be calculated in the usual way and paid at the usual time.

3.4 If the Period of Employment terminates upon the death of Employee, the Company shall continue payment of his then current salary for a period of 12 months from the date of death, together with his pro-rata share of any incentive or bonus payments due for the period prior to his death, to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.

3.5 If the Period of Employment is terminated by the Employee under Section 2.3, or by the Company under Section 2.4, the Company shall continue to pay compensation and provide benefits to the employee as provided in this Section 3.5 for a period (the "Termination Period") beginning on the date of termination and ending on the earlier of: (i) the second annual anniversary of the date that the Company provided notice to the Employee under Section 2.4; or (ii) the date on which the Employee would attain age 65, as follows:

(a) Compensation shall be paid to the Employee at the rate of salary being paid to Employee under Section 3.1 immediately before the date of notice of termination.

(b) Bonus and incentive compensation shall be paid to the Employee in accordance with plans approved by the Board of Directors and similar to which the Employee participated at the date of notice of termination, using the same formula and calculations under any such plan as if termination had not occurred. The Employee shall not be entitled to receive any further grants of stock options under any stock option or similar such plan subsequent to the date of termination but outstanding stock options shall continue to vest during the Termination Period in accordance with the applicable stock option plan.

(c) Employee shall receive the benefits that would have been accrued by the Employee during the Termination Period from participation by the Employee under any pension, profit sharing, employee stock ownership plan ("ESOP") or similar retirement plan or plans of the Company or any Affiliate in which the Employee participated immediately before the date of notice of termination, in accordance with the terms of any such plan (or, if not available, in lieu thereof be compensated for such benefits), based on service the Employee would have had during the Termination Period and compensation (and, if applicable, bonus and incentive compensation)as determined under Section (a) (and, if applicable, Subsection (b) above);

(d) Employee shall receive continued coverage during the Termination Period under all employee disability, annuity, insurance or other employee welfare benefit plans, programs or arrangements of the Company or any Affiliate in which Employee participated immediately before the notice of termination, plus all improvements subsequent thereto (or, if not available, in lieu thereof be compensated for such coverage); and

(e) In the event of the death of Employee during the Termination Period, the Company shall continue to make the payments under Subsections 3.5(a) for the period which is the lesser of the remainder of the Termination Period or twelve (12) months and shall pay any bonuses under Subsection 3.5 (b) on a pro-rata basis until the date of Employee's death, to Employee's designated beneficiary or, if no beneficiary has been effectively designated, then to Employee's estate.

Except as provided in Section 3.6, payment of compensation under Subsection 3.5(a) above shall be made at the same time as payments of compensation under Section 3.1, and payments of other benefits under Subsection 3.5(b) and (c) shall be paid at the same time and to the same person as compensation or benefits would have been paid under the plan, program or arrangement to which they relate (after taking into account any election made by the Employee with respect to payments under such plan, program or arrangement and shall be pro-rated for any partial year through the date of expiration of the Termination Period).

3.6 If at any time after a Change of Control the Period of Employment is terminated by the Employee under Section 2.3, or the Company terminates or gives written notice of termination of the Period of Employment to the Employee (whether or not in accordance with Section 2.4), then in lieu of the periodic payment of the amounts specified in Subsections 3.5(a), (b) and (c) (except as may be otherwise prohibited by law or by said plans), the Company, at the written election of Employee, shall pay to Employee within five (5) business days of such termination or notice of termination the present value of the amounts specified in Subsections 3.5(a), (b) and (c), discounted at the greatest rate of interest then payable by Mellon Bank (or its successor) on any federally insured savings account into which Employee could deposit such amount and make immediate withdrawals therefrom without penalty, and shall provide for the remainder of the Termination Period, if any, the benefit coverage required by Subsection 3.5(d). Employee shall not be required to mitigate damages payable under this Section 3.6.

3.7 In no event will the Company be obligated to continue Employee's compensation and other benefits under the Agreement beyond Employee's sixty-fifth (65th) birthday or if Employee's employment is terminated because of gross negligence or significant willful misconduct (e.g. conviction of misappropriation of corporate assets or serious criminal offense).

4. Non-Competition Agreement During the Period of Employment, the Termination Period, and for a period of two (2) years after the termination of the Termination Period, Employee shall not, without the written consent of the Company, directly or indirectly be employed or retained by, or render any services for, or be financially interested in, any firm or corporation engaged in any business which is competitive with any business in which the Company or any of its Affiliates may have been engaged during the Period of Employment. The foregoing restriction shall not apply to the purchase by Employee of up to 5% of the outstanding shares of capital stock of any corporation whose securities are listed on any national securities exchange.

5. Loyalty Commitments During and after the Period of Employment: (a) Employee shall not disclose any confidential business information about the affairs of the Company or any of its Affiliates; and (b) Employee shall not, without the prior written consent of the Company, induce or attempt to induce any employee or agency representative of the Company or any Affiliate to leave the employment or representation of the Company or such Affiliate.

6. Separability of Provisions The terms of this Agreement shall be considered to be separable from each other, and in the event any shall be found to be invalid, it shall not affect the validity of the remaining terms.

7. Binding Effect This Agreement shall be binding upon and inure to the benefit of (a) the Company and its successors and assigns, and (b) Employee, his personal representatives, heirs and legatees.

8. Entire Agreement This Agreement constitutes the entire agreement between the parties and supersedes and revokes all prior oral or written understandings between the parties relating to Employee's employment, including specifically the Service Contract dated July 4, 2000 and all prior Service Contracts, except with respect to matters addressed in the offer letter dated July 31, 2001 between the parties, to the extent such matters are not covered in this Agreement. The Agreement may not be changed orally but only by a written document signed by the party against whom enforcement of any waiver, change, modification, extension or discharge is sought.

9. Definitions The following terms herein shall (unless otherwise expressly provided) have the following respective meanings:

9.1 "Affiliate" when used with reference to the Company means any corporations, joint ventures or other business enterprises directly or indirectly controlling, controlled by, or under common control with the Company. For purposes of this definition, "control" means ownership or power to vote 50% or more of the voting stock, venture interests or other comparable participation in such business enterprises.

9.2 "Period of Employment" means the period commencing on the date hereof and terminating pursuant to Section 2.

9.3 "Beneficiary" means the person or persons designated in writing by Employee to Company.

9.4 "Change of Control" means any event by which (i) an Acquiring Person has become such, or (ii) Continuing Directors cease to comprise a majority of the members of the Board of Directors of the Company or the applicable Parent of the Company (a "Board"). For purposes of this definition:

(a) An "Acquiring Person" means any person or group (as defined in Section 13(d)(3) of the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder as in effect on the date of this Agreement (the "Exchange Act") who or which, together with all affiliates and associates (as defined in Rule 12B-2 under the Exchange Act) becomes, by way of any transaction, the beneficial owner of shares of the Company, or such Parent, having 20% or more of (i) the then outstanding shares of Common Stock of the Company or such Parent, or (ii) the voting power of then outstanding voting securities of the Company, or such Parent, entitled to vote generally in the election of directors of the Company or such Parent; and

(b) "Continuing Director" means any member of a Board, while such person is a member of such Board who is not an Acquiring Person, or an affiliate or associate of an Acquiring Person or a representative of an Acquiring Person or of any such affiliate or associate and who (i) was a member of such Board prior to the date of this Agreement, or (ii) subsequently becomes a member of such Board and whose nomination for election or election to such Board is recommended or approved by resolution of a majority of the Continuing Directors or who is included as a nominee in a proxy statement of the Company or the applicable Parent distributed when a majority of such Board consists of Continuing Directors.

9.5 "Parent" means any Affiliate directly or indirectly controlling (within the meaning of Section 9.1) the Company.

10. Notices Where there is provision herein for the delivery of written notice to either of the parties, such notice shall be deemed to have been delivered for the purposes of this Agreement when delivered in person, by recognized delivery service, or placed in a sealed, postpaid envelope addressed to such party and mailed by registered mail, return receipt requested to the address set forth below or the most recent address as may be on the Company records for the Employee:

Rudolf Lehner	Drosselweg Number 2 Alzenau, Germany 63755
DENTSPLY International Inc.	570 West College Avenue York, PA 17405 Attention: Secretary

11. Arbitration Any controversy arising from or related to the Agreement shall be determined by arbitration in the City of London, England, in accordance with the rules of the United States, American Arbitration Association, and judgment upon any such determination or award may be entered in any court having jurisdiction. The arbitration shall be conducted in the English language. In the event of any arbitration between Employee and Company related to the Agreement, if employee shall be the successful party, Company will indemnify and reimburse Employee against any reasonable legal fees and expenses incurred in such arbitration.

12. Applicable Law the Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania.

IN WITNESS WHEREOF, the parties have executed the Agreement on the day and year first above written.

Attest: DENTSPLY INTERNATIONAL INC.

_____ By: _____
Secretary Chief Executive Officer

Rudolf Lehner

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EXHIBIT 10.18

Summary of 2001 Incentive Compensation Plan

At the end of 2000, the Human Resources Committee of the Board of Directors adopted the Year 2001 Incentive Compensation Plan (the "Plan"). The Plan established target award opportunities ranging from 23% of base salary for key employees to 75% of base salary for the Chief Executive Officer. The bonuses were earned based on the achievement of certain financial targets, which are established based on the individual participant's position. For the Chief Executive Officer and the Chief Operating Officer the bonus awards for 100% of targeted performance were set at 75% and 60%, respectively, of their base salaries. For the Senior Vice Presidents and the General Counsel the bonus awards for 100% of targeted performance were set at 55% and 40%, respectively, of their base salaries. Messrs. Miles, Kunkle, Jellison, Roos, Weston, Whiting and Addison received bonus awards for 2001 of 98.4%, 78.7%, 72.1%, 67.7%, 60.5%, 75.8% and 52.5%, respectively.

EXHIBIT 10.22(a)

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made this 30th day of November, 2001, by and between FLEET PRECIOUS METALS INC., a Rhode Island corporation with its principal offices at 111 Westminster Street, Providence, Rhode Island 02903 ("FPM"), and DENTSPLY INTERNATIONAL INC., a Delaware corporation with its principal place of business at 570 West College Avenue, York, Pennsylvania 17405 (the "Seller").

W I T N E S S E T H T H A T:

WHEREAS, the Seller wishes to sell to FPM certain gold, silver, platinum and palladium ("Precious Metal"); and FPM wishes to purchase said Precious Metal from the Seller; and

NOW, THEREFORE, for value received, in consideration of the premises and of the mutual promises hereinafter contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows:

1. Purchase and Sale. The Seller hereby agrees to sell to FPM and FPM hereby agrees to purchase from Seller, on the terms and conditions hereinafter contained, the following (all of the property described in this Section 1 is hereinafter collectively referred to as the "Precious Metal Inventory"):

80,000	fine troy ounces of gold
-0-	fine troy ounces of silver
-0-	fine troy ounces of platinum
-0-	fine troy ounces of palladium

For the purposes of Section 1, the term "troy ounces" shall mean the fine troy ounce content contained in Seller's inventory determined at a degree of fineness of not less than 99.5% in the case of gold, 99.90% in the case of silver, 99.95% in the case of platinum, and 99.95% in the case of palladium.

2. Purchase Price. In consideration of the transfer of the Precious Metal Inventory by Seller to FPM, FPM shall deliver to Seller $22,272,960.00 (the "Purchase Consideration"). Nothing in this Section 2 or elsewhere in this Agreement shall affect the passage to FPM of title to the Precious Metal Inventory, which title the parties intend and shall be deemed to pass on the date of the Bill of Sale hereinafter described.

3. Conditions Precedent to Sale. The obligation of FPM to purchase the Precious Metal Inventory is subject to the following conditions precedent:

(a) Seller shall have executed and delivered to FPM a Bill of Sale (the "Bill of Sale") covering and describing the Precious Metal Inventory in the form of Exhibit A attached hereto and made a part hereof.

(b)

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The representations and warranties of Seller set forth in Section 4 hereof and in the Bill of Sale shall be true and correct on and as of the date hereof and the date of sale of the Precious Metal Inventory to FPM.

(c) Seller shall have delivered to FPM a certificate of a financial officer of the Seller, certifying the amount of Precious Metal Inventory by location (the "Certificate").

4. Representations and Warranties. Seller hereby represents and warrants to FPM that:

(a) Seller is duly organized, validly existing and in good standing under the laws of its state of incorporation and has the corporate power to execute and deliver and perform its obligations under this Agreement and the Bill of Sale.

(b) The execution and delivery and performance by Seller of its obligations under this Agreement and the Bill of Sale have been duly authorized by all requisite corporate action.

(c) Seller is the lawful owner of, and has absolute title to, the Precious Metal Inventory free and clear of all claims, liens, security interests, encumbrances and all other defects of title or of any kind whatsoever except in favor of FPM.

(d) Seller has the right, power and authority to sell the Precious Metal Inventory and has not made or contracted to make any prior sale, assignment or transfer of any item of Precious Metal Inventory to

any person, firm or corporation.

(e) All of the Precious Metal Inventory is located at the locations set forth in the Certificate.

5. Consignment of the Precious Metal Inventory. The parties hereto intend that, contemporaneously with the execution and delivery of the Bill of Sale, FPM shall consign the Precious Metal to the Seller AS IS AND WHERE IS pursuant to the terms of a certain Consignment Agreement dated October 24, 2001 between the Seller and FPM.

6. Governing Law. This Agreement shall be governed by and shall be construed in accordance with the laws of the State of New York.

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers as of the date first above written.

DENTSPLY INTERNATIONAL INC.

By:_____
Title:

FLEET PRECIOUS METALS INC.

By:_____
Title:

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EXHIBIT 10.22(b)

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made this 20th day of December, 2001, by and between JPMORGAN CHASE BANK, a New York corporation with offices at 270 Park Avenue, 6th floor, Global Commodities, New York, New York 10017 (the "Buyer"), and DENTSPLY INTERNATIONAL INC., a Delaware corporation with its principal place of business at 570 West College Avenue, York, Pennsylvania 17405 (the "Seller").

W I T N E S S E T H T H A T:

WHEREAS, the Seller has entered into forward contracts ("Forward Contracts") to sell certain gold, silver, platinum and/or palladium ("Precious Metal") to Fleet Precious Metals Inc. ("FPM"); and

WHEREAS, the Seller has requested that the Buyer satisfy the Seller's obligations to FPM under the Forward Contracts by delivering Precious Metal to FPM; and

WHEREAS, in consideration of the foregoing, the Seller shall simultaneously sell an equal amount of Precious Metal to the Buyer pursuant to the terms hereof and Buyer shall consign such Precious Metal back to the Seller pursuant to the terms of a Consignment Agreement (as hereinafter referred to); and

NOW, THEREFORE, for value received, in consideration of the premises and of the mutual promises hereinafter contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows:

1. Purchase and Sale. The Seller hereby agrees to sell to the Buyer and the Buyer hereby agrees to purchase from Seller, on the terms and conditions hereinafter contained, the following (all of the property described in this Section 1 is hereinafter collectively referred to as the "Precious Metal Inventory"):

_____ fine troy ounces of gold
_____ fine troy ounces of silver
4,200 fine troy ounces of platinum
17,700 fine troy ounces of palladium

For the purposes of Section 1, the term "troy ounces" shall mean the fine troy ounce content contained in Seller's inventory determined at a degree of fineness of not less than 99.5% in the case of gold, 99.90% in the case of silver, 99.95% in the case of platinum, and 99.95% in the case of palladium.

2. Purchase Price. In consideration of the transfer of the Precious Metal Inventory by Seller to the Buyer, the Buyer shall deliver the following to the FPM for the account of the Seller in satisfaction of the Seller's obligations to FPM under the Forward Contracts (the "Purchase Consideration"):

_____ fine troy ounces of gold
_____ fine troy ounces of silver
4,200 fine troy ounces of platinum
17,700 fine troy ounces of palladium

Nothing in this Section 2 or elsewhere in this Agreement shall affect the passage to the Buyer of title to the Precious Metal Inventory, which title the parties intend and shall be deemed to pass on the date of the Bill of Sale hereinafter described.

3. Conditions Precedent to Sale. The obligation of the Buyer to purchase the Precious Metal Inventory is subject to the following conditions precedent:

(a) Seller shall have executed and delivered to the Buyer a Bill of Sale (the "Bill of Sale") covering and describing the Precious Metal Inventory in the form of Exhibit A attached hereto and made a part hereof.

(b) The representations and warranties of Seller set forth in Section 4 hereof and in the Bill of Sale shall be true and correct on and as of the date hereof and the date of sale of the Precious Metal Inventory to the Buyer.

(c) Seller shall have delivered to the Buyer a certificate of a financial officer of the Seller, certifying the amount of Precious Metal Inventory by location (the "Certificate").

4. Representations and Warranties. Seller hereby represents

and warrants to the Buyer that:

(a) Seller is duly organized, validly existing and in good standing under the laws of its state of incorporation and has the corporate power to execute and deliver and perform its obligations under this Agreement and the Bill of Sale.

(b) The execution and delivery and performance by Seller of its obligations under this Agreement and the Bill of Sale have been duly authorized by all requisite corporate action.

(c)

Seller is the lawful owner of, and has absolute title to, the Precious Metal Inventory free and clear of all claims, liens, security interests, encumbrances and all other defects of title or of any kind whatsoever except in favor of the Buyer.

(d) Seller has the right, power and authority to sell the Precious Metal Inventory and has not made or contracted to make any prior sale, assignment or transfer of any item of Precious Metal Inventory to any person, firm or corporation.

(e) All of the Precious Metal Inventory is located at the locations set forth in the Certificate.

5. Consignment of the Precious Metal Inventory. The parties hereto intend that, contemporaneously with the execution and delivery of the Bill of Sale, the Buyer shall consign the Precious Metal to the Seller AS IS AND WHERE IS pursuant to the terms of a certain Consignment Agreement dated , 2001 between the Seller and the Buyer.

6. Governing Law. This Agreement shall be governed by and shall be construed in accordance with the laws of the State of New York

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers as of the date first above written.

DENTSPLY INTERNATIONAL INC.

By:_____
Title:

JPMORGAN CHASE BANK

By:_____
Title:

EXHIBIT 10.22(c)

PURCHASE AND SALE AGREEMENT

THIS AGREEMENT made this 20th day of December, 2001, by and between MITSUI & CO., PRECIOUS METALS INC., a Delaware corporation with offices at 200 Park Avenue, 36th Floor, New York, New York 10166 (the "Buyer"), and DENTSPLY INTERNATIONAL INC., a Delaware corporation with its principal place of business at 570 West College Avenue, York, Pennsylvania 17405 (the "Seller").

W I T N E S S E T H T H A T:

WHEREAS, the Seller has entered into forward contracts ("Forward Contracts") to sell certain gold, silver, platinum and/or palladium ("Precious Metal") to Fleet Precious Metals Inc. ("FPM"); and

WHEREAS, the Seller has requested that the Buyer satisfy the Seller's obligations to FPM under the Forward Contracts by delivering Precious Metal to FPM; and

WHEREAS, in consideration of the foregoing, the Seller shall simultaneously sell an equal amount of Precious Metal to the Buyer pursuant to the terms hereof and Buyer shall consign such Precious Metal back to the Seller pursuant to the terms of a Consignment Agreement (as hereinafter referred to); and

NOW, THEREFORE, for value received, in consideration of the premises and of the mutual promises hereinafter contained, and for other good and valuable consideration, the receipt of which is hereby acknowledged, the parties do hereby agree as follows:

1. Purchase and Sale. The Seller hereby agrees to sell to the Buyer and the Buyer hereby agrees to purchase from Seller, on the terms and conditions hereinafter contained, the following (all of the property described in this Section 1 is hereinafter collectively referred to as the "Precious Metal Inventory"):

_____ fine troy ounces of gold
_____ fine troy ounces of silver
4,200 fine troy ounces of platinum
8,800 fine troy ounces of palladium

For the purposes of Section 1, the term "troy ounces" shall mean the fine troy ounce content contained in Seller's inventory determined at a degree of fineness of not less than 99.5% in the case of gold, 99.90% in the case of silver, 99.95% in the case of platinum, and 99.95% in the case of palladium.

2. Purchase Price. In consideration of the transfer of the Precious Metal Inventory by Seller to the Buyer, the Buyer shall deliver the following to the FPM for the account of the Seller in satisfaction of the Seller's obligations to FPM under the Forward Contracts (the "Purchase Consideration"):

_____ fine troy ounces of gold
_____ fine troy ounces of silver
4,200 fine troy ounces of platinum
8,800 fine troy ounces of palladium

Nothing in this Section 2 or elsewhere in this Agreement shall affect the passage to the Buyer of title to the Precious Metal Inventory, which title the parties intend and shall be deemed to pass on the date of the Bill of Sale hereinafter described.

3. Conditions Precedent to Sale. The obligation of the Buyer to purchase the Precious Metal Inventory is subject to the following conditions precedent:

(a) Seller shall have executed and delivered to the Buyer a Bill of Sale (the "Bill of Sale") covering and describing the Precious Metal Inventory in the form of Exhibit A attached hereto and made a part hereof.

(b) The representations and warranties of Seller set forth in Section 4 hereof and in the Bill of Sale shall be true and correct on and as of the date hereof and the date of sale of the Precious Metal Inventory to the Buyer.

(c) Seller shall have delivered to the Buyer a certificate of a financial officer of the Seller, certifying the amount of Precious Metal Inventory by location (the "Certificate").

4. Representations and Warranties. Seller hereby represents and warrants to the Buyer that:

(a) Seller is duly organized, validly existing and in good standing under the laws of its state of incorporation and has the corporate power to execute and deliver and perform its obligations under this Agreement and the Bill of Sale.

(b) The execution and delivery and performance by Seller of its obligations under this Agreement and the Bill of Sale have been duly authorized

by all requisite corporate action.

(c) Seller is the lawful owner of, and has absolute title to, the Precious Metal Inventory free and clear of all claims, liens, security interests, encumbrances and all other defects of title or of any kind whatsoever except in favor of the Buyer.

(d) Seller has the right, power and authority to sell the Precious Metal Inventory and has not made or contracted to make any prior sale, assignment or transfer of any item of Precious Metal Inventory to any person, firm or corporation.

(e) All of the Precious Metal Inventory is located at the locations set forth in the Certificate.

5. Consignment of the Precious Metal Inventory. The parties hereto intend that, contemporaneously with the execution and delivery of the Bill of Sale, the Buyer shall consign the Precious Metal to the Seller AS IS AND WHERE IS pursuant to the terms of a certain Consignment Agreement dated , 2001 between the Seller and the Buyer.

6. Governing Law. This Agreement shall be governed by and shall be construed in accordance with the laws of the State of New York

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IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed by their duly authorized officers as of the date first above written.

DENTSPLY INTERNATIONAL INC.

By:_____
Title:

JPMORGAN CHASE BANK

By:_____
Title:

EXHIBIT 13 - Pages 9 through 44 of the Company's Annual Report to Shareholders for fiscal year 2001

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
SELECTED FINANCIAL DATA

	Year ended December 31,				
	2001	2000	1999	1998	1997
Statement of Income Data:	(dollars in thousands, except per share amounts)				
Net sales	$ 1,129,094	$889,796	$836,438	$800,456	$725,596
Net sales without precious metals content	1,078,831	889,796	836,438	800,456	725,596
Gross profit	569,671	463,594	431,811	416,304	368,726
Restructuring and other costs (income)	5,073	(56)	-	71,500	-
Operating income	178,363	163,916	149,617	69,852	132,456
Income before income taxes	185,127	151,796	138,019	55,101	122,006
Net income	$ 121,496 (1)	$ 101,016	$ 89,863	$ 34,825 (2)	$ 74,554
Earnings per Common Share:					
Net income-basic	$ 1.56 (1)	$ 1.30	$ 1.14	$ 0.44 (2)	$ 0.92
Net income-diluted	1.54 (1)	1.29	1.13	0.43 (2)	0.92
Cash dividends declared per common share	$ 0.18333	$ 0.17083	$ 0.15417	$ 0.14000	$ 0.13000
Weighted Average Common Shares Outstanding:					
Basic	77,671	77,785	79,131	79,995	80,906
Diluted	78,975	78,560	79,367	80,396	81,344
Balance Sheet Data:					
Working capital	$ 125,726	$ 157,316	$ 138,448	$ 128,076	$ 107,678
Total assets	1,798,151	866,615	863,730	895,322	774,376
Total debt	731,158	110,294	165,467	233,761	129,510
Stockholders' equity	609,519	520,370	468,872	413,801	423,933
Return on average stockholders' equity	19.5% (3)	20.4%	20.4%	19.2% (3)	18.9%
Long-term debt to total capitalization	54.3%	17.4%	23.7%	34.4%	19.9%
Other Data:					
Depreciation and amortization	$ 54,334	$ 41,359	$ 39,624	$ 37,474	$ 32,405
Capital expenditures	49,337 (4)	28,425	33,386	31,430	27,660
Interest expense, net	20,574	9,291	14,640	14,168	11,006
Property, plant and equipment, net	240,890	181,341	180,536	158,998	147,130
Goodwill and other intangibles, net	1,012,160	344,753	349,421	346,073	336,905
Cash flows from operating activities	211,068 (5)	145,622	125,877 (5)	96,323 (5)	96,647
Inventory days	94 (6)	114	122	132	128
Receivable days	47	52	52	55	53
Income tax rate	34.4%	33.5%	34.9%	36.8%	38.9%

All share and per share amounts reflect the 3-for-2 common stock split effective January 31, 2002.

(1) Includes non-recurring income, after tax, of $11.6 million or $0.15 per common share.
(2) Includes non-recurring costs, after tax, of $45.4 million or $0.56 per common share.
(3) 2001 and 1998 exclude income statement effect of non-recurring income (costs), after tax, of $11.6 million and ($45.4 million), respectively.
(4) Includes $9.0 million for replacement of equipment lost in January 2001 fire.
(5) 2001, 1999 and 1998 include non-recurring cash inflows (outflows) of $29.1 million, ($13.1 million) and ($2.6 million), respectively.
(6) Reflects full year impact of Degussa Dental acquired in October 2001.

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

Certain statements made by the Company, including without limitation, statements containing the words "plans", "anticipates", "believes", "expects", or words of similar import may be deemed to be forward-looking statements and are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. Investors are cautioned that forward-looking statements involve risks and uncertainties which may materially affect the Company's business and prospects, and should be read in conjunction with the risk factors discussed within Item I, Part I of the Company's Annual Report on Form 10-K.

RESULTS OF OPERATIONS, 2001 COMPARED TO 2000

The Company made three significant acquisitions during 2001. In January 2001, the Company acquired the outstanding shares of Friadent GmbH ("Friadent"), a global dental implant manufacturer and marketer headquartered in Mannheim, Germany. In March 2001, the Company acquired the dental injectible anaesthetic assets of AstraZeneca ("AZ Assets"). In October 2001, the Company acquired the Degussa Dental Group ("Degussa Dental"), a manufacturer and seller of dental products, including precious metal alloys, ceramics, dental laboratory equipment and chairside products headquartered in Hanau, Germany. The details of these transactions are discussed in Note 3 to the Consolidated Financial Statements. The results of these acquired

companies have been included in the consolidated financial statements since the dates of acquisition. These acquisitions, accounted for using the purchase method, significantly impact the comparability of 2001 results versus 2000. Accordingly, unaudited pro forma information is presented in Note 3 to the Consolidated Financial Statements to help facilitate comparisons.

Net Sales

Net sales increased $239.3 million, or 26.9%, to $1,129.1 million, up from $889.8 million in 2000. The internal sales growth rate for the year was 6.2%, excluding a 22.4% increase due to acquisitions and a negative 1.7% foreign currency translation impact due to the strong U.S. dollar against the major currencies in Europe, Asia and Brazil. Sales in the United States grew 13.3%; 7.4% from base business (internal sales growth exclusive of acquisitions/divestitures and the impact of currency translation); and 5.9% from net acquisitions/divestitures. Notable growth was achieved in endodontics, orthodontics, intra-oral cameras and digital x-ray systems. European sales, including the Commonwealth of Independent States ("CIS"), increased 60.7%. European base business sales increased 5.6%. Currency translation had a negative 2.4% impact on sales for the year. Acquisitions added 57.5% to European sales during the year. Notable growth was achieved in the German and U.K. consumables businesses, and in the endodontic product line throughout Europe. Asia (excluding Japan) base business sales increased 9.7% as the Company's subsidiaries in the key Asian countries, especially South Korea, continued to gain market share. Acquisitions added an additional 16.2% in Asia, offset by a negative 4.8% impact from currency translation. Latin American base business sales decreased 2.9% primarily due to weak economies in Brazil and Argentina. Acquisitions added 11.8% to Latin American net sales offset by 8.9% for the negative impact of currency translation. Sales in the rest of the world grew 48.5%; 4.4% from base business, 48.4% from acquisitions less 4.3% from currency translation. Solid sales growth in Canada and Australia was offset by negative sales growth in the Middle East and Japan.

****
Graph titled "2001 Geographic Breakdown"

Information disclosed:

Region	% of 2001 Sales
United States	51%
Europe	29%
Pacific Rim, Asia and Latin America	9%
Other	11%

****

Base business sales for heavy equipment, including x-ray equipment and intra-oral cameras, increased 9.1% while consumable and small equipment sales increased 6.5%. These increases were offset slightly by softening net sales of non-dental products in 2001.

****
Graph titled "2001 Product Breakdown"

Information disclosed:

Product	% of 2001 Sales
Consumables and Small Equipment	90%
Heavy Equipment	7%
Other	3%

****

Sales in 2001 of $1,129.1 million included sales from the acquisition of Degussa Dental which was acquired at the beginning of the fourth quarter 2001. A significant portion of Degussa Dental's net sales is comprised of sales of precious metals generated through its precious metal alloy product offerings. Due to the fluctuations of precious metal prices, DENTSPLY will report sales both with and without precious metals to give the reader a clearer understanding of its business. DENTSPLY leases most of it precious metals primarily to free up working capital and to minimize the effect of any price movement in the underlying metals. DENTSPLY's net sales in 2001, excluding the sales value of precious metals, were $1,078.8 million, an increase of 21.2% over 2000.

Gross Profit

Gross profit for 2001 represented 50.5% of net sales, or 52.8% excluding sales of precious metals, compared to 52.1% of net sales in 2000. There were no sales of precious metals in 2000. The gross profit margin, excluding precious metals, was benefited by a favorable product mix, restructuring, and operational improvements during 2001. These benefits were offset by the negative impact of a stronger U.S. dollar and the negative impact of the amortization of the Friadent and Degussa Dental inventory step-ups recorded in connecton with the the purchase accounting. The Company continues to drive projects, including lean manufacturing, waste elimination and centralized warehousing, focused on improving our operating processes and product flows. These efforts not only strengthen our gross profit margin rates and reduce inventory levels, but also improve our overall competitive advantage.

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Graph titled "Gross Profit Percentage"

Information disclosed:

Year	Gross Profit Percentage
1997	50.8%
1998	52.0%
1999	51.6%
2000	52.1%
2001	52.8%

Footnote:

Excludes precious metals content of net sales.
****

Operating Expenses

Selling, general and administrative ("SG&A") expense increased $86.5 million, or 28.9%, in 2001. As a percentage of sales, SG&A expenses increased to 34.2% compared to 33.7% in 2000. As a percentage of sales without the precious metals content, SG&A expenses were 35.8% in 2001. Acquisitions and higher research and development spending were the primary reasons for this increase.

During 2001, the Company recorded net restructuring and other costs of $5.1 million. In the first quarter 2001, the Company recorded a $5.5 million restructuring charge to improve efficiencies in Europe, Brazil and North America. In the fourth quarter 2001, the Company recorded $11.5 million of restructuring and other costs primarily related to the Degussa Dental acquisition and its integration with DENTSPLY. An additional cost of $2.4 million was recorded in the fourth quarter of 2001 for a payment to be made at the point of regulatory filings related to Oraqix, aproduct to which the Company acquired rights in the AZ Asset acquisition. These charges were offset by a gain of $8.5 million related to the restructuring of the Company's U.K. pension arrangements in October 2001 and a gain of $5.8 million for an insurance settlement for equipment destroyed in the fire at the Company's Maillefer facility in Switzerland (see Note 13 to the Consolidated Financial Statements).

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Graph titled "Operating Income Percentage"

Information disclosed:

Year	Operating Income Percentage
1997	18.3%
1998	17.7%
1999	17.9%
2000	18.4%
2001	17.0%

Footnote:

Excludes precious metals content of net sales and non-recurring costs.
****

Other Income and Expenses

Net interest expense increased $11.3 million due to higher debt levels in 2001 to finance the significant acquisition activity during 2001, offset somewhat by a strong operating cash flow and lower interest rates. Other income of $27.3 million in 2001 compares with other expense of $2.8 million in 2000. The increase in 2001 was primarily the result of a $23.1 million gain related to the Company's March 2001 sale of InfoSoft, LLC to PracticeWorks, Inc. in exchange for 6.5% convertible preferred stock issued by PracticeWorks, Inc., valued at $32 million. This investment is included in "Other noncurrent assets" in the Company's balance sheet and is measured for recoverability on a periodic basis (see Note 3 to the Consolidated Financial Statements). Also contributing to the increase in other income was $1.7 million of accrued dividends related to this preferred stock, a $1.4 million minority interest benefit recorded in the fourth quarter related to an intangible impairment charge included in restructuring and other costs and $1.2 million of gains from foreign exchange transactions. The other expense in 2000 represented mainly losses on foreign exchange transactions.

Earnings

Income before income taxes in 2001 increased $33.3 million, or 21.9% to $185.1 million, from $151.8 million in 2000. The effective tax rate for operations increased to 34.4% in 2001 from 33.5% in 2000.

Net income increased $20.5 million, or 20.3%, to $121.5 million in 2001 from $101.0 million in 2000. Fully diluted earnings per share were $1.54 in 2001, an increase of 19.4% from $1.29 in 2000. Earnings in 2001 included non-recurring net income of $11.6 million or $0.15 per diluted share which included the restructuring and other costs of $5.1 million recorded in the first and fourth quarters of 2001, offset by the related minority interest benefit of $1.4 million and the gain on the Infosoft LLC sale of $23.1 million recorded in the first quarter of 2001. Excluding this non-recurring income, net income was $109.9 million and diluted earnings per common share were $1.39, an increase of 7.8% over 2000. Net income and diluted earnings per common share for the year includes a negative impact from the $84.6 million Tulsa earn-out payment made in May for additional amortization and interest costs and one-time inventory step-up charges for Friadent and Degussa Dental during the year.

****
Graph titled "Earnings"

Information disclosed:

Year	Net Income (in millions)	Earnings Per Diluted Common Share
1997	$ 74.6	$ 0.92
1998	80.2	0.99
1999	89.9	1.13
2000	101.0	1.29
2001	109.9	1.39

Footnote:

The 5 year compounded annualized growth rates for net income and earnings per diluted common share are 10% and 11%, respectively. 1998 and 2001 are shown before non-recurring income (costs). Per share data has been adjusted for the threefor-two stock split effective January 2002.
****

RESULTS OF OPERATIONS, 2000 COMPARED TO 1999

Net Sales

Net sales increased $53.4 million, or 6.4%, to $889.8 million, up from $836.4 million in 1999. Base business accounted for 9.5% of the sales growth in 2000. Currency translation negatively impacted net sales by 3.1%, mainly due to the devaluation of the Brazilian Real and the strengthening of the U.S. dollar against the major European currencies. Sales in the United States grew 10.6%; 10.6% from base business and 0.1% from acquisitions, offset by 0.1% from translation. There was strong base business growth in the United States from equipment and consumable product lines. European base business sales, including the Commonwealth of Independent States, increased 3.2%. This, however, was offset by the impact of currency translation on European sales, which had a negative 10.1% effect, and a negative impact of 0.4% from divestitures. Both equipment and consumables experienced an increase in base business sales in Europe in 2000. The increase in consumable sales in Europe was tempered by European dealers who sharply curtailed their fourth quarter consumable purchases as their annual growth incentive rebate targets were not attainable. The economy in the Pacific Rim continued to improve, resulting in a 24.0% increase in base business sales. Pacific Rim net sales in 1999 were impacted by $1.4 million of inventory returns from dealers in India. Excluding these returns, the Pacific Rim base business sales grew 16.0% in 2000. Excluding acquisitions and exchange, sales in Latin America grew 12.4%. Sales in the rest of the world were up 11.3%; 13.5% from base business, offset by 0.1% from divestitures and 2.1% from exchange. The increase was mainly due to base business sales increases in Canada, the Middle East and Africa, Australia and Japan.

Gross Profit

Gross profit increased $31.8 million, or 7.4%, to $463.6 million from $431.8 million in 1999. As a percentage of sales, gross profit increased from 51.6% in 1999 to 52.1% in 2000. The gross profit margin was benefited by restructuring and operational improvements along with a favorable product mix in 2000. The percentage improvement occurred despite the negative impact of a strong U.S. dollar during 2000.

Operating Expenses

Selling, general and administrative expense increased $17.5 million, or 6.2%, in 2000. As a percentage of sales, expenses remained unchanged, representing 33.7% of net sales in both periods. Increased research and development spending, a sales force increase, and higher legal expenses were offset by shared service initiatives and solid internal sales growth.

In the fourth quarter 2000, the Company recorded a $2.8 million pre-tax gain on a settlement related to a property previously owned by the Company, along with a $2.7 million pre-tax restructuring charge related to its French and Latin American businesses. The primary focus of the restructuring was the consolidation of operations in these regions in order to eliminate duplicative functions. Both of these items are reflected in the "Restructuring and other costs (income)" line on the income statement (see Note 13 to the Consolidated Financial Statements).

Other Income and Expenses

The decrease in net interest expense of $5.3 million was mainly due to debt repayment enabled by strong cash flow generation along with lower interest rates as we converted a portion (approximately $60 million) of our debt to lower rate Swiss Francs. Other expense was $2.8 million in 2000 compared to other income of $3.0 million in 1999. The expense in 2000 included a net increase of $2.6 million in exchange transaction losses due to the strengthening of the U.S. dollar against the major European currencies, while the prior year included other income of $2.4 million related to the divestiture of medical businesses in 1994 and 1996, and $0.4 million due to a favorable settlement of a disputed lease commitment in the United Kingdom.

Earnings

Income before income taxes increased $13.8 million, or 10.0%, from $138.0 million in 1999 to $151.8 million in 2000. The effective tax rate for operations decreased to 33.5% in 2000 from 34.9% in 1999. Net income increased $11.1 million, or 12.4%, to $101.0 million in 2000 from $89.9 million in 1999 due to higher sales, higher gross profit as a percentage of sales, lower net interest expense, and a lower provision for income taxes partially offset by higher other expense in 2000.

Diluted earnings per common share increased from $1.13 in 1999 to $1.29 in 2000, or 14.2%.

FOREIGN CURRENCY

Since approximately 45% of the Company's 2001 revenues have been generated in currencies other than the U.S. dollar, the value of the U.S. dollar in relation to those currencies affects the results of operations of the Company. The impact of currency fluctuations in any given period can be favorable or unfavorable. The impact of foreign currency fluctuations of European currencies on operating income is partially offset by sales in the U.S. of products sourced from plants and third party suppliers located overseas, principally in Germany and Switzerland.

CRITICAL ACCOUNTING POLICIES

In response to the SEC's Release No. 33-8040, "Cautionary Advice Regarding Disclosure About Critical Accounting Policies," we have identified below the accounting principles critical to our business and results of operations. We determined these critical principles by considering accounting policies that involve the most complex or subjective decisions or assessments.

Goodwill and Other Long-Lived Assets

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets". This statement requires that the amortization of goodwill be discontinued and instead an annual impairment approach be applied. The impairment tests will be performed upon adoption and annually thereafter (or more often if adverse events occur) and will be based upon a fair value approach rather than an evaluation of the undiscounted cash flows. If impairment exists, under SFAS 142, the resulting charge is determined by recalculating goodwill through a hypothetical purchase price allocation of the fair value and reducing the current carrying value to the extent it exceeds the recalculated goodwill.

Other long-lived assets such as identifiable intangible assets and fixed assets are amortized or depreciated over their estimated useful lives. These assets are reviewed for impairment whenever events or circumstances provide evidence that suggest that the carrying amount of the asset may not be recoverable with impairment being based upon an evaluation of the identifiable undiscounted cash flows. If impaired, the resulting charge reflects the excess of the asset's carrying cost over its fair value.

If market conditions become less favorable, future cash flows, the key variable in assessing the impairment of these assets, may decrease and as a result the Company may be required to recognize impairment charges.

Inventories

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

Accounts Receivable

The Company sells dental equipment and supplies primarily through a worldwide network of distributors, although certain product lines are sold directly to the end user. For customers on credit terms, the Company performs ongoing credit evaluation of those customers' financial condition and generally does not require collateral from them. The Company establishes allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. If the financial condition of the Company's customers were to deteriorate, their ability to make required payments may become impaired, and increases in these allowances may be required. In addition, a negative impact on sales to those customers may occur.

Income Taxes

Income taxes are determined in accordance with Statement of Financial Accounting Standards No. 109 ("SFAS 109"), which requires recognition of deferred income tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income tax liabilities and assets are determined based on the difference between financial statements and tax bases of liabilities and assets using enacted tax rates in effect for the year in which the differences are expected to reverse. SFAS 109 also provides for the recognition of deferred tax assets if it is more likely than not that the assets will be realized in future years. A valuation allowance has been established for deferred tax assets for which realization is not likely. In assessing the valuation allowance, the Company has considered future taxable income and ongoing tax planning strategies. Changes in these circumstances, such as a decline in future taxable income, may result in an additional valuation allowance being required.

Litigation

The Company and its subsidiaries are from time to time parties to lawsuits arising out of their respective operations. The Company records liabilities when a loss is probable and can be reasonably estimated. These estimates are based on an analysis made by internal and external legal counsel which considers information known at the time. The Company believes it has estimated well in the past; however, court decisions could cause liability to be incurred in excess of estimates.

IMPACT OF INFLATION

The Company has generally offset the impact of inflation on wages and the cost of purchased materials by reducing operating costs and increasing selling prices to the extent permitted by market conditions.

LIQUIDITY AND CAPITAL RESOURCES

Cash flows from operating activities increased to $211.1 million in 2001 or 45.0% from 2000. Excluding one-time precious metals inventory reductions of $29.1 million, cash flows from operating activities increased 25% to $182.0 million in 2001. The increase of $36.4 million was due primarily to increased earnings, reductions in both inventory days and receivable days to 94 and 47, respectively, along with an increase in short-term liabilities.

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Graph titled "Working Capital Management"

Information disclosed:

Year	Inventory Days	Receivable Days
1997	128	53
1998	132	55
1999	122	52
2000	114	52
2001	94	47

Footnote:

Inventory days for 2001 reflects full-year impact of Degussa Dental acquired in October 2001.
****

Within investment activities for 2001 were capital expenditures of $49.3 million, which includes approximately $9.0 million for replacement of equipment destroyed in the January 2001 fire at the Company's Maillefer facility in Switzerland, which was funded through insurance proceeds. In addition, the Company's acquisition activity in 2001 resulted in cash outflows of $812.5 million (see Note 3 to the Consolidated Financial Statements).

During 2001, the Company repurchased 37,500 shares of its common stock for $0.9 million. The Board of Directors did not authorize any share repurchases for 2002. The timing and amounts of any future purchases will depend upon many factors, including market conditions and the Company's business and financial condition.

At December 31, 2001, the Company's current ratio was 1.4 with working capital of $125.7 million. This compares with a current ratio of 1.9 and

working capital of $157.3 million at December 31, 2000.

In order to fund its significant acquisition activity, the Company completed numerous financing initiatives during 2001. In March 2001, the Company issued Series A and B private placement notes to Prudential Capital Group totaling Swiss francs 166.9 million ($100 million) at an average rate of 4.49% with six year final maturities. The notes were issued to finance the acquisition of the AZ Assets. In May 2001, the Company replaced and expanded its revolving credit agreements to $500 million from its previous level of $300 million. In October 2001, the Company issued a Series C private placement note to Prudential Capital Group for Swiss francs 80.4 million ($50 million) at a rate of 4.96% with a five year final maturity. The series A and B notes were also amended to increase the interest rate by 30 basis points, reflecting the Company's higher leverage. In December 2001, the Company issued a private placement note through ABN AMRO for Japanese yen 6.2 billion ($50 million) at a rate of 1.39% with a four year final maturity. In December 2001, the Company issued 350 million Eurobonds ($315 million) with a coupon of 5.75%, maturing December 2006 at an effective yield of 5.89%. The Company simultaneously entered into a series of fixed to variable rate swaps to convert its fixed rate 5.75% coupon Eurobond into variable rate debt, currently at 3.2%. Additionally, the Company entered into a series of freestanding Euro to U.S. dollar cross currency basis swaps to effectively convert the Eurobonds and related interest expense to U.S. dollar. The Series C note, the ABN AMRO note and the Eurobonds were issued to finance the Degussa Dental acquisition. Also contributing to the overall funding of the Degussa Dental acquisition was the reduction of approximately $71 million of precious metals inventory through a combination of a sale/leaseback and excess quantity reductions, the proceeds of which were used to pay down debt (see Note 9 to the Consolidated Financial Statements).

Due to this activity, the Company's long-term debt increased $614.0 million from $109.5 million at December 31, 2000 to $723.5 million at December 31, 2001. The resulting long-term debt to total capitalization at December 31, 2001 was 54.3% compared to 17.4% at December 31, 2000.

Under its recently updated multi-currency revolving credit agreement, the Company is able to borrow up to $250 million on an unsecured basis through May 2006 ("the five-year facility") and $250 million through May 2002 ("the 364 day facility"). The 364-day facility terminates in May 2002, but may be extended, subject to certain conditions, for additional periods of 364 days. This revolving credit agreement is unsecured and contains various financial and other covenants.

The Company also has available a $200 million commercial paper facility which was established in September 1999. The 364-day facility serves as a back-up to this commercial paper facility. The total available credit under the commercial paper facility and the 364-day facility is $250 million.

The Company also has access to $70.4 million in uncommitted short-term financing under lines of credit from various financial institutions. Substantially all of these lines of credit have no major restrictions and are provided under demand notes between the Company and the lending institutions.

In total, the Company had unused lines of credit of $357.9 million at December 31, 2001. Access to most of these available lines of credit is contingent upon the Company being in compliance with certain affirmative and negative covenants relating to its operations and financial condition. The most restrictive of these covenants pertain to asset dispositions, maintenance of certain levels of net worth, and prescribed ratios of indebtedness to total capital and operating income plus depreciation and amortization to interest expense. At December 31, 2001, the Company was in compliance with these covenants.

The following table presents the Company's scheduled contractual cash obligations at December 31, 2001:

Contractual Obligations	Less Than 1 Year	1-4 Years	5 Years Or More	Total
			(in thousands)	
Long-term debt	$214,282	$ 91,370	$417,872	$ 723,524
Operating leases	72,367	20,239	16,597	109,203
	$286,649	$ 111,609	$434,469	$ 832,727

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.

PENDING ACCOUNTING CHANGES

In June 2001 Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 141 ("SFAS 141"), "Business Combinations" and Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets". SFAS 141 addresses financial accounting and reporting for business combinations. Specifically, effective for business combinations occurring after July 1, 2001, it eliminates the use of the pooling method of accounting and requires all business combinations to be accounted for under the purchase method. SFAS 142 addresses financial accounting and reporting for acquired goodwill and other intangible assets. The primary change related to this new standard is that the amortization of goodwill and intangible assets with indefinite useful lives will be discontinued and instead an annual impairment approach will be applied. Except for goodwill and intangible assets with indefinite lives related to acquisitions after July 1, 2001 (in which case, amortization will not be recognized at all), the Company discontinued amortization of goodwill and intangible assets with indefinite lives effective January 1, 2002. The application of these new standards will have a positive impact on earnings per share of approximately $0.15 in 2002. Based upon preliminary evaluations, the Company does not believe the adoption of SFAS 142 will result in the recognition of any material impairment charges.

In June 2001, the FASB issued Statement of Financial Accounting Standards No. 143 ("SFAS 143"), "Accounting for Asset Retirement Obligations". It applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and (or) the normal operation of a long-lived asset, except for certain obligations of lessees. SFAS 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and subsequently allocated to expense over the asset's useful life. SFAS 143 is effective for the Company in 2003 and the effect of adopting it is not expected to be material.

In August 2001, the FASB issued Statement of Financial Accounting Standards No. 144 ("SFAS 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS 144 supercedes SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and APB 30, " Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of Business and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS 144 requires an impairment loss to be recognized only if the carrying amounts of long-lived assets to be held and used are not recoverable from their expected and undiscounted future cash flows. SFAS 144 is effective for fiscal years beginning after December 15, 2001. The effect of adopting this standard is not expected to be material.

EURO CURRENCY CONVERSION

On January 1, 1999, eleven of the fifteen member countries of the European Union (the "participating countries") established fixed conversion rates between their legacy currencies and the newly established Euro currency.

The legacy currencies remained legal tender in the participating countries between January 1, 1999 and January 1, 2002 (the "transition period"). On January 1, 2002, the European Central Bank issued Euro-denominated bills and coins for use in cash transactions. On or before July 1, 2002, the legacy currencies of participating countries will no longer be legal tender for any transactions.

The Company's various operating units which are affected by the Euro conversion adopted the Euro as the functional currency effective January 1, 2001. At this time, the Company does not expect the reasonably foreseeable consequences of the Euro conversion to have material adverse effects on the Company's business, operations or financial condition.

QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The information below provides information about the Company's market sensitive financial instruments and includes "forward-looking statements" that involve risks and uncertainties. Actual results could differ materially from those expressed in the forward-looking statements. The Company's major market risk exposures are changing interest rates, movements in foreign currency exchange rates and potential price volatility of commodities used by the Company in its manufacturing processes. The Company's policy is to manage interest rates through the use of floating rate debt and interest rate swaps to adjust interest rate exposures when appropriate, based upon market conditions. A portion of the Company's borrowings are denominated in foreign currencies which exposes the Company to market risk associated with exchange rate movements. The Company's policy generally is to hedge major foreign currency exposures through foreign exchange forward contracts. These contracts are entered into with major financial institutions thereby minimizing the risk of credit loss. In order to limit the unanticipated earnings fluctuations from volatility in commodity prices, the Company selectively enters into commodity price swaps to convert variable raw material costs to fixed costs.The Company does not hold or issue derivative financial instruments for speculative or trading purposes. The Company is subject to other foreign exchange market risk exposure as a result of non-financial instrument anticipated foreign currency cash flows which are difficult to reasonably predict, and have therefore not been included in the table below. All items described are non-trading and are stated in U.S. dollars.

Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. The Company believes the carrying amounts of cash and cash equivalents, accounts receivable (net of allowance for doubtful accounts), prepaid expenses and other current assets, accounts payable, accrued liabilities, income taxes payable and notes payable approximate fair value due to the short-term nature of these instruments. The Company estimates the fair value of its long-term debt was $720.6 million versus its carrying value of $723.5 million as of December 31, 2001. The fair value was relatively similar to the carrying value since the fixed rate Eurobonds were effectively converted to variable rate as a result of an interest rate swap and the interest rates on revolving debt and commercial paper are variable and reflect current market rates. In addition, the face value of the Japanese yen private placement note approximates fair value as its issue date was December 28, 2001. The fixed rate Swiss franc denominated notes were the only debt instruments where the fair values were lower than the carrying values due to higher Swiss rates at December 31, 2001 versus the rates at issuance of the notes.

Derivative Financial Instruments

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

Foreign Exchange Risk Management The Company enters into forward foreign exchange contracts to selectively hedge assets and liabilities denominated in foreign currencies. Market value gains and losses are recognized in income currently and the resulting gains or losses offset foreign exchange gains or losses recognized on the foreign currency assets and liabilities hedged. Determination of hedge activity is based upon market conditions, the magnitude of the foreign currency assets and liabilities and perceived risks. The Company's significant contracts outstanding as of December 31, 2001 are summarized in the table that follows. These foreign exchange contracts generally have maturities of less than six months and counterparties to the transactions are typically large international financial institutions.

Interest Rate Risk Management The Company enters into interest rate swaps to convert floating rate debt to fixed rate, fixed rate debt to floating rate, and cross currency basis swaps to convert Euro debt to U.S. dollar cash flows. In July 1998, the Company entered into interest rate swap agreements with notional amounts totaling $80.0 million which converts a portion of the Company's variable rate financing to fixed rates. The average fixed rate of these agreements was 5.7% with an original maturity of five years. The U.S. dollar swaps were terminated in February 2001 at a cost of $1.2 million, $0.3 million remains to be amortized over the remaining term of the related debt. In January 2000 and February 2001, the Company entered into interest rate swap agreements with notional amounts totaling 180 million Swiss francs which converts a portion of the Company's variable rate financing to fixed rates. The average fixed rate of these agreements is 3.3% and fixes the rate for an average of four years. In December 2001, the Company entered into a series of fixed to variable rate swaps to convert its fixed rate 5.75% coupon Eurobonds into variable debt, currently at 3.2%. Additionally, the Company entered into a series of freestanding Euro to U.S. dollar cross currency basis swaps to effectively convert the Eurobonds and related interest expense to U.S. dollar. DENTSPLY Sankin, the Company's Japanese subsidiary acquired in the Degussa Dental transaction, has a yen interest rate swap of notional amounts totaling Japanese yen 70 million to convert its variable rate debt into fixed rate of 2.9% which matures in December 2002. The fair value of these swap agreements is the estimated amount the Company would receive (pay) at the reporting date, taking into account the effective interest rates. At December 31, 2001 the estimated fair values of the swap agreements was $(12.8) million.

Commodity Price Risk Management The Company selectively enters into commodity price swaps to convert variable raw material costs to fixed. In August 2000, the Company entered into a commodity price swap agreement with notional amounts totaling 270,000 troy ounces of silver bullion throughout calendar year 2001. The average fixed rate of this agreement was $5.10 per troy ounce. In November 2001, the Company entered into a commodity price swap agreement with notional amounts totaling 270,000 troy ounces of silver bullion throughout calendar year 2002. The average fixed rate of this agreement is $4.20 per troy ounce. At December 31, 2001, the estimated fair value was $0.1 million.

As of December 31, 2001, the Company leased $59.6 million of precious metals. Under this arrangement the Company leases fixed quantities of precious metals which are used in producing alloys and pays a lease rate (a percent of the value of the leased inventory) to the lessor. These precious metal leases are accounted for as operating leases and the lease fee is recorded as cost of goods sold. The terms of the leases are less than one year, and the average lease rate at December 31, 2001 was 2.5%. The Company's objective for using these operating lease arrangements to supply its precious metals needs is to free up working capital and smooth the effects of commodity price volatility.

	EXPECTED MATURITY DATES					DECEMBER 31, 2001	
	2002	2003	2004	2005	2006	Carrying Value	Fair Value
	(dollars in thousands)						
Notes Payable and Current Portion of Long-term Debt							
U.S. dollar denominated	$ 4,014	$ -	$ -	$ -	$ -	$ 4,014	$ 4,014
Average interest rate	3.1%						
Australian dollar denominated	77	-	-	-	-	77	77
Average interest rate	8.0%						
Euro denominated	1,163	-	-	-	-	1,163	1,163
Average interest rate	6.3%						
Japanese yen denominated	2,380	-	-	-	-	2,380	2,380
Average interest rate	2.0%						
Long Term Debt:							
U.S. dollar denominated	6,669	-	822	-	-	7,491	7,491
Average interest rate	2.3%		4.4%				
Swiss franc denominated	137,372	-	-	33,175	114,309	284,856	281,907
Average interest rate	2.5%			4.5%	4.8%		
Japanese yen denominated	67,899	15,843	17,009	16,796	-	117,547	117,547
Average interest rate	0.7%	1.4%	1.4%	1.4%			
Australian dollar denominated	255	-	-	-	-	255	255
Average interest rate	4.6%						
Euro denominated	600	7,725	-	-	303,563	311,888	311,888
Average interest rate	5.5%	6.2%			5.75%		
Thai baht denominated	1,086	-	-	-	-	1,086	1,086
Average interest rate	3.7%						
Chile peso denominated	266	-	-	-	-	266	266
Average interest rate	8.8%						
Brazil real denominated	135	-	-	-	-	135	135
Average interest rate	19.6%						
Foreign Exchange Forward Contracts:							
Forward purchase, 36.4 million Japanese yen	282	-	-	-	-	282	277
Forward purchase, 0.4 million Swiss francs	216	-	-	-	-	216	221
Forward sales, 234.5 million Japanese yen	1,911	-	-	-	-	1,911	1,799
Forward sales, 6.9 million Euro	6,028	-	-	-	-	6,028	6,079
Interest Rate Swaps:							
Interest rate swaps - U.S. dollar, terminated 2/2001	(152)	(58)	(34)	(21)	-	(265)	(265)
Average interest rates							
Interest rate swaps - Japanese yen	533	-	-	-	-	(12)	(12)
Average interest rates	2.9%						
Interest rate swaps - Swiss francs	-	29,825	38,774	-	38,774	(1,122)	(1,122)
Average interest rates		3.4%	3.3%		3.3%		
Interest rate swaps - Euro	-	-	-	-	309,190	(5,627)	(5,627)
Average interest rates					4.8%		
Basis swap - Euro-U.S. Dollar	-	-	-	-	315,000	(5,810)	(5,810)
Average interest rates					3.2%		
Silver Swap - U.S. dollar	1,134	-	-	-	-	84	84

Management's Financial Responsibility

The management of DENTSPLY International Inc. is responsible for the preparation and integrity of the consolidated financial statements and all other information contained in this Annual Report. The financial statements were prepared in accordance with generally accepted accounting principles and include amounts that are based on management's informed estimates and judgments.

In fulfilling its responsibility for the integrity of financial information, management has established a system of internal accounting controls supported by written policies and procedures. This provides reasonable assurance that assets are properly safeguarded and accounted for and that transactions are executed in accordance with management's authorization and recorded and reported properly.

The financial statements have been audited by our independent accountants, PricewaterhouseCoopers LLP, whose unqualified report is presented below. The independent accountants perform audits of the financial statements in accordance with generally accepted auditing standards, which include a review of the system of internal accounting controls to the extent necessary to determine the nature, timing and extent of audit procedures to be performed.

The Audit and Information Technology Committee (the "Committee") of the Board of Directors, consisting solely of outside Directors, meets with the independent accountants with and without management to review and discuss the major audit findings, internal control matters and quality of financial reporting. The independent accountants also have access to the Committee to discuss auditing and financial reporting matters with or without management present.

/s/John C. Miles II	/s/Gerald K. Kunkle	/s/William R. Jellison
John C. Miles II	Gerald K. Kunkle	William R. Jellison
Chairman and Chief Executive Officer	President and Chief Operating Officer	Senior Vice President and Chief Financial Officer

Report of Independent Accountants

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

In our opinion, the accompanying consolidated balance sheets and the related consolidated statements of income, of changes in stockholders' equity and of cash flows present fairly, in all material respects, the financial position of DENTSPLY International Inc. and its subsidiaries at December 31, 2001 and 2000, and the results of their operations and their cash flows for each of the two years in the period ended December 31, 2001 in conformity with accounting principles generally accepted in the United States of America. These financial statements are the responsibility of the Company's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these statements in accordance with auditing standards generally accepted in the United States of America, which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion. The financial statements of the Company for the year ended December 31, 1999 were audited by other independent accountants whose report dated, January 20, 2000, expressed an unqualified opinion on those statements.

/s/ PricewaterhouseCoopers LLP

Philadelphia, PA
January 21, 2002, except for Note 16, as to which the date is January 31, 2002

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME

	Year Ended December 31,		
	2001	2000	1999
	(in thousands, except per share amounts)		
Net sales (Note 4)	$ 1,129,094	$ 889,796	$ 836,438
Cost of products sold	559,423	426,202	404,627
Gross profit	569,671	463,594	431,811
Selling, general and administrative expenses	386,235	299,734	282,194
Restructuring and other costs (income) (Note 13)	5,073	(56)	-
Operating income	178,363	163,916	149,617
Other income and expenses:			
Interest expense	21,676	10,153	15,758
Interest income	(1,102)	(862)	(1,118)
Other (income) expense, net	(27,338)	2,829	(3,042)
Income before income taxes	185,127	151,796	138,019
Provision for income taxes (Note 11)	63,631	50,780	48,156
Net income	$ 121,496	$ 101,016	$ 89,863
Earnings per common share (Notes 2 and 16):			
Basic	$ 1.56	$ 1.30	$ 1.14
Diluted	1.54	1.29	1.13
Cash dividends declared per common share (Note 16)	$ 0.18333	$ 0.17083	$ 0.15417
Weighted average common shares outstanding (Notes 2 and 16):			
Basic	77,671	77,785	79,131
Diluted	78,975	78,560	79,367

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

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS

	December 31, 2001	2000
	(in thousands)	
Assets		
Current Assets:		
Cash and cash equivalents	$ 33,710	$ 15,433
Accounts and notes receivable-trade, net (Note 1)	191,534	133,643
Inventories, net (Notes 1 and 5)	197,454	133,304
Prepaid expenses and other current assets	61,545	43,074
Total Current Assets	484,243	325,454
Property, plant and equipment, net (Notes 1 and 6)	240,890	181,341
Identifiable intangible assets, net (Notes 1 and 7)	248,890	80,730
Costs in excess of fair value of net assets acquired, net (Note 1)	763,270	264,023
Other noncurrent assets	60,858	15,067
Total Assets	$ 1,798,151	$ 866,615
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$ 69,904	$ 45,764
Accrued liabilities (Note 8)	194,357	88,058
Income taxes payable	86,622	33,522
Notes payable and current portion of long-term debt (Note 9)	7,634	794
Total Current Liabilities	358,517	168,138
Long-term debt (Note 9)	723,524	109,500
Deferred income taxes	32,526	16,820
Other noncurrent liabilities	73,628	47,226
Total Liabilities	1,188,195	341,684
Minority interests in consolidated subsidiaries	437	4,561
Commitments and contingencies (Note 15)		
Stockholders' Equity:		
Preferred stock, $.01 par value; .25 million shares authorized; no shares issued	-	-
Common stock, $.01 par value; 100 million shares authorized; 81.4 million shares issued at December 31, 2001 and December 31, 2000	814	543
Capital in excess of par value	152,916	151,899
Retained earnings	597,414	490,167
Accumulated other comprehensive loss	(77,388)	(49,296)
Unearned ESOP compensation	(3,419)	(4,938)
Treasury stock, at cost, 3.5 million shares at December 31, 2001 and 4.0 million shares at December 31, 2000	(60,818)	(68,005)
Total Stockholders' Equity	609,519	520,370
Total Liabilities and Stockholders' Equity	$ 1,798,151	$ 866,615

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

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Common Stock	Capital in Excess of Par Value	Retained Earnings	Accumulated Other Comprehensive Loss	Unearned ESOP Compensation	Treasury Stock	Total Stockholders' Equity
				(in thousands)			
Balance at December 31, 1998	$ 543	$ 152,871	$ 324,745	$ (14,730)	$ (7,977)	$ (41,651)	$ 413,801
Comprehensive Income:							
Net income	-	-	89,863	-	-	-	89,863
Other comprehensive loss:							
Foreign currency translation adjustment, net of $1,797 tax	-	-	-	(28,479)	-	-	(28,479)
Comprehensive Income							61,384
Exercise of stock options and warrants	-	(1,823)	-	-	-	5,998	4,175
Tax benefit from stock options and warrants exercised	-	730	-	-	-	-	730
Reissuance of treasury stock	-	(269)	-	-	-	3,622	3,353
Repurchase of common stock, at cost	-	-	-	-	-	(3,890)	(3,890)
Cash dividends ($0.15417 per share)	-	-	(12,200)	-	-	-	(12,200)
Decrease in unearned ESOP compensation	-	-	-	-	1,519	-	1,519
Balance at December 31, 1999	543	151,509	402,408	(43,209)	(6,458)	(35,921)	468,872
Comprehensive Income:							
Net income	-	-	101,016	-	-	-	101,016
Other comprehensive loss:							
Foreign currency translation adjustment, net of $688 tax	-	-	-	(5,416)	-	-	(5,416)
Minimum pension liability adjustment	-	-	-	(671)	-	-	(671)
Comprehensive Income							94,929
Exercise of stock options	-	(583)	-	-	-	8,008	7,425
Tax benefit from stock options exercised	-	973	-	-	-	-	973
Repurchase of common stock, at cost	-	-	-	-	-	(40,092)	(40,092)
Cash dividends ($0.17083 per share)	-	-	(13,257)	-	-	-	(13,257)
Decrease in unearned ESOP compensation	-	-	-	-	1,520	-	1,520
Balance at December 31, 2000	543	151,899	490,167	(49,296)	(4,938)	(68,005)	520,370
Comprehensive Income:							
Net income	-	-	121,496	-	-	-	121,496
Other comprehensive loss:							
Foreign currency translation adjustment, net of $6,264 tax	-	-	-	(26,566)	-	-	(26,566)
Cumulative effect of change in accounting principle for derivative and hedging activities (SFAS 133)	-	-	-	(503)	-	-	(503)
Net loss on derivative financial instruments	-	-	-	(810)	-	-	(810)
Minimum pension liability adjustment	-	-	-	(213)	-	-	(213)
Comprehensive Income							93,404
Exercise of stock options	-	(45)	-	-	-	8,062	8,017
Tax benefit from stock options exercised	-	1,333	-	-	-	-	1,333
Repurchase of common stock, at cost	-	-	-	-	-	(875)	(875)
Cash dividends ($0.18333 per share)	-	-	(14,249)	-	-	-	(14,249)
Decrease in unearned ESOP compensation	-	-	-	-	1,519	-	1,519
Three-for-two common stock split	271	(271)	-	-	-	-	-
Balance at December 31, 2001	$ 814	$ 152,916	$ 597,414	$ (77,388)	$ (3,419)	$ (60,818)	$ 609,519

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

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2001	2000	1999
		(in thousands)	
Cash flows from operating activities:			
Net income	$ 121,496	$ 101,016	$ 89,863
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	25,219	22,024	19,933
Amortization	29,115	19,335	19,691
Deferred income taxes	6,451	4,249	5,885
Restructuring and other costs (income)	5,073	(56)	-
Other non-cash transactions	(3,849)	815	319
Gain on sale of business	(23,121)	-	-
Loss on disposal of property, plant and equipment	54	482	304
Non-cash ESOP compensation	1,519	1,520	1,519
Changes in operating assets and liabilities, net of acquisitions and divestitures:			
Accounts and notes receivable-trade, net	(3,709)	(9,218)	2,384
Inventories, net (2001 includes one-time precious metals inventory reduction of $29,087)	14,763	(1,216)	4,394
Prepaid expenses and other current assets	47	(1,526)	(2,223)
Accounts payable	9,180	1,492	1,040
Accrued liabilities	28,704	7,018	(14,343)
Income taxes	4,295	(834)	11
Other, net	(4,169)	521	(2,900)
Net cash provided by operating activities	211,068	145,622	125,877
Cash flows from investing activities:			
Acquisitions of businesses, net of cash acquired	(812,523)	(14,995)	(673)
Expenditures for identifiable intangible assets	(4,265)	(1,423)	(3,256)
Proceeds from bulk sale of precious metals inventory	41,814	-	-
Insurance proceeds received for fire-destroyed equipment	8,980	-	-
Proceeds from sale of property, plant and equipment	645	215	1,825
Capital expenditures	(49,337)	(28,425)	(33,386)
Net cash used in investing activities	(814,686)	(44,628)	(35,490)
Cash flows from financing activities:			
Proceeds from exercise of stock options and warrants	8,017	7,425	4,175
Cash paid for treasury stock	(875)	(40,092)	(3,890)
Cash dividends paid	(14,228)	(13,004)	(11,859)
Proceeds from the termination of a pension plan	8,486	-	-
Proceeds from long-term borrowings, net of deferred financing costs	1,435,175	114,341	99,407
Payments on long-term borrowings	(819,186)	(149,390)	(177,946)
Increase (decrease) in short-term borrowings	7,511	(18,389)	4,909
Net cash provided by (used in) financing activities	624,900	(99,109)	(85,204)
Effect of exchange rate changes on cash and cash equivalents	(3,005)	2,130	(4,238)
Net increase in cash and cash equivalents	18,277	4,015	945
Cash and cash equivalents at beginning of period	15,433	11,418	10,473
Cash and cash equivalents at end of period	$ 33,710	$ 15,433	$ 11,418

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

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Year Ended December 31,		
	2001	2000	1999
		(in thousands)	
Supplemental disclosures of cash flow information:			
Interest paid	$ 15,967	$ 7,434	$ 13,863
Income taxes paid	47,215	39,064	34,951
Supplemental disclosures of non-cash transactions:			
Receipt of convertible preferred stock in connection with the sale of a business	32,000	-	-
Issuance of treasury stock in connection with the acquisition of certain assets	-	-	3,353

The company assumed liabilities in conjunction with the following acquisitions:

	Date Acquired	Fair Value of Assets Acquired	Cash Paid for Assets or Capital Stock	Liabilities Assumed
			(in thousands)	
Degussa Dental Group	October 2001	$ 624,270	$ 502,947	$ 121,323
CeraMed Dental (remaining 49%)	July 2001	20,000	20,000	-
Tulsa Dental Products (earn-out payment)	May 2001	84,627	84,627	-
Dental injectible anesthetic assets of AstraZeneca	March 2001	104,405	98,725	5,680
Friadent GmbH	January 2001	135,632	105,025	30,607
PreVest, Inc.	October 2000	2,000	2,000	-
San Diego Swiss Machining, Inc.	September 2000	7,729	7,702	27
ESP, LLC	August 2000	2,452	2,452	-
Darway, Inc.	July 2000	3,485	3,469	16
Midwest Orthodontic Manufacturing, LLC	July 2000	999	604	395

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

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

Description of Business

DENTSPLY designs, develops, manufactures and markets a broad range of products for the dental market. The Company believes that it is the world's leading manufacturer and distributor of dental prosthetics, precious metal dental alloys, dental ceramics, endodontic instruments and materials, prophylaxis paste, dental sealants, ultrasonic scalers, dental injectible anesthetics and crown and bridge materials; the leading United States manufacturer and distributor of dental x-ray equipment, dental handpieces, intraoral cameras, dental x-ray film holders, film mounts and bone substitute/grafting materials; and a leading worldwide manufacturer or distributor of impression materials, orthodontic appliances, dental cutting instruments and dental implants. The Company distributes its dental products in over 120 countries under some of the most well established brand names in the industry. DENTSPLY is committed to the development of innovative, high quality, cost-effective new products for the dental market

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and all majority-owned subsidiaries. Intercompany accounts and transactions are eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates and assumptions.

Cash and Cash Equivalents

The Company considers all highly liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts and Notes Receivable-Trade

The Company sells dental equipment and supplies primarily through a worldwide network of distributors, although certain product lines are sold directly to the end user. For customers on credit terms, the Company performs ongoing credit evaluation of those customers' financial condition and generally does not require collateral from them. The Company establishes allowances for doubtful accounts for estimated losses resulting from the inability of its customers to make required payments. Accounts and notes receivable-trade are stated net of these allowances which were $12.6 million and $6.4 million at December 31, 2001 and 2000, respectively. Certain of the Company's larger distributors are offered cash rebates based on targeted sales increases. The Company records an accrual based on its projected cash rebate obligations.

Inventories

Inventories are stated at the lower of cost or market. At December 31, 2001 and 2000, the cost of $23.6 million, or 12%, and $14.0 million, or 10%, 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 method. The Company establishes reserves for inventory estimated to be obsolete or unmarketable equal to the difference between the cost of inventory and estimated market value based upon assumptions about future demand and market conditions.

If the FIFO method had been used to determine the cost of LIFO inventories, the amounts at which net inventories are stated would be higher than reported at December 31, 2001 by $2.3 million and lower than reported at December 31, 2000 by $0.2 million.

Property, Plant and Equipment

Property, plant and equipment are stated at cost, net of accumulated depreciation. Except for leasehold improvements, depreciation for financial reporting purposes is computed by the straight-line method over the following estimated useful lives: buildings - generally 40 years and machinery and equipment - 4 to 15 years. The cost of leasehold improvements is amortized over the shorter of the estimated useful life or the term of the lease. Maintenance and repairs are charged to operations; replacements and major improvements are capitalized.

Identifiable Intangible Assets

Identifiable intangible assets, which primarily consist of patents, trademarks and licensing agreements, are amortized on a straight-line basis over their estimated useful lives, ranging from 5 to 40 years. Long-lived assets are reviewed for impairment whenever events or circumstances provide evidence that suggest that the carrying amount of the asset may not be recoverable Impairment is based upon an evaluation of the identifiable undiscounted cash flows. If impaired, the resulting charge reflects the excess of the asset's carrying cost over its fair value (see Note 13).

Costs in Excess of Fair Value of Net Assets Acquired

The excess of costs of acquired companies and product lines over the fair value of net assets acquired ("goodwill") is amortized on a straight-line basis over 25 to 40 years. Costs in excess of the fair value of net assets acquired are stated net of accumulated amortization of $80.1 million and $62.0 million at December 31, 2001 and 2000, respectively. Costs in excess of fair value of net assets acquired are evaluated periodically to determine whether later events or circumstances warrant revised estimates of useful lives. The recovery of goodwill is evaluated by an analysis of operating results and consideration of other significant events or changes in the business environment. If an operating unit has current operating losses and based upon projections there is a likelihood that such operating losses will continue, the Company will evaluate whether impairment exists on the basis of undiscounted expected future cash flows from operations. If impairment exists, the carrying amount of goodwill is reduced by the estimated shortfall of cash flows on a discounted basis.

Effective January 1, 2002, the Company adopted Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets". This statement requires that the amortization of goodwill be discontinued and instead an annual impairment approach be applied. The impairment tests will be performed upon adoption and annually thereafter (or more often if adverse events occur) and will be based upon a fair value approach rather than an evaluation of the undiscounted cash flows. If impairment exists, under SFAS 142, the resulting charge is determined by recalculating goodwill through a hypothetical purchase price allocation of the fair value and reducing the current carrying value to the extent it exceeds the recalculated goodwill.

Derivative Financial Instruments

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

The Company adopted Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities" on January 1, 2001. This standard, as amended by SFAS 138, requires that all derivative instruments be recorded on the balance sheet at their fair value and that changes in fair value be recorded each period in current earnings or comprehensive income. See Note 14 for additional information.

Litigation

The Company and its subsidiaries are from time to time parties to lawsuits arising out of their respective operations. The Company records liabilities when a loss is probable and can be reasonably estimated. These estimates are based on an analysis made by internal and external legal counsel which considers information known at the time.

Foreign Currency Translation

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

Assets and liabilities of foreign subsidiaries are translated at exchange rates on the balance sheet date; revenue and expenses are translated at the average year-to-date rates of exchange. The effects of these translation adjustments are reported in a separate component of stockholders' equity.

Exchange gains and losses arising from transactions denominated in a currency other than the functional currency of the entity involved and translation adjustments in countries with highly inflationary economies are included in income. Exchange gains of $1.2 million in 2001 and exchange losses of $2.7 million in 2000 and $0.1 million in 1999 are included in other (income) expense, net.

Revenue Recognition

Revenue, net of related discounts and allowances, is recognized when product is shipped and risk of loss has transferred to the customer.

Research and Development Costs

Research and development costs are charged to expense as incurred and are included in selling, general and administrative expenses. Research and development costs amounted to approximately $28.3 million, $20.4 million and $18.5 million for 2001, 2000 and 1999, respectively.

Income Taxes

Income taxes are determined in accordance with Statement of Financial Accounting Standards No. 109 ("SFAS 109"), which requires recognition of deferred income tax liabilities and assets for the expected future tax consequences of events that have been included in the financial statements or tax returns. Under this method, deferred income tax liabilities and assets are determined based on the difference between financial statements and tax bases of liabilities and assets using enacted tax rates in effect for the year in which the differences are expected to reverse. SFAS 109 also provides for the recognition of deferred tax assets if it is more likely than not that the assets will be realized in future years. A valuation allowance has been established for deferred tax assets for which realization is not likely.

Earnings Per Share

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

Stock Compensation

The Company applies the intrinsic value method in accordance with Accounting Principles Board Opinion No. 25 and related interpretations in accounting for stock compensation plans. Under this method, no compensation expense is recognized for fixed stock option plans, provided that the exercise price is greater than or equal to the price of the stock at the date of grant.

Reclassifications

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

Pending Accounting Changes

In June 2001 Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards No. 141 ("SFAS 141"), "Business Combinations" and Statement of Financial Accounting Standards No. 142 ("SFAS 142"), "Goodwill and Other Intangible Assets". SFAS 141 addresses financial accounting and reporting for business combinations. Specifically, effective for business combinations occurring after July 1, 2001, it eliminates the use of the pooling method of accounting and requires all business combinations to be accounted for under the purchase method. SFAS 142 addresses financial accounting and reporting for acquired goodwill and other intangible assets. The primary change related to this new standard is that the amortization of goodwill and intangible assets with indefinite useful lives will be discontinued and instead an annual impairment approach will be applied. Except for goodwill and intangible assets with indefinite lives related to acquisitions after July 1, 2001 (in which case, amortization will not be recognized at all), the Company discontinued amortization of goodwill and intangible assets with indefinite lives effective January 1, 2002. The application of these new standards will have a positive impact on earnings per share of approximately $0.15 in 2002. Based upon preliminary evaluations, the Company does not believe the adoption of SFAS 142 will result in the recognition of any material impairment charges.

In June 2001, the FASB issued Statement of Financial Accounting Standards No. 143 ("SFAS 143"), "Accounting for Asset Retirement Obligations". It applies to legal obligations associated with the retirement of long-lived assets that result from the acquisition, construction, development and (or) the normal operation of a long-lived asset, except for certain obligations of lessees. SFAS 143 requires that the fair value of a liability for an asset retirement obligation be recognized in the period in which it is incurred if a reasonable estimate of fair value can be made. The associated asset retirement costs are capitalized as part of the carrying amount of the long-lived asset and subsequently allocated to expense over the asset's useful life. SFAS 143 is effective for the Company in 2003 and the effect of adopting it is not expected to be material.

In August 2001, the FASB issued Statement of Financial Accounting Standards No. 144 ("SFAS 144"), "Accounting for the Impairment or Disposal of Long-Lived Assets." SFAS 144 supercedes SFAS 121, "Accounting for the Impairment of Long-Lived Assets and for Long-Lived Assets to be Disposed Of," and APB 30, " Reporting the Results of Operations-Reporting the Effects of Disposal of a Segment of Business and Extraordinary, Unusual and Infrequently Occurring Events and Transactions." SFAS 144 requires an impairment loss to be recognized only if the carrying amounts of long-lived assets to be held and used are not recoverable from their expected and undiscounted future cash flows. SFAS 144 is effective for fiscal years beginning after December 15, 2001. The effect of adopting this standard is not expected to be material.

NOTE 2 - EARNINGS PER COMMON SHARE

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

	Income (Numerator)	Shares (Denominator)	Per Share Amount
	(in thousands, except per share amounts)		
Year Ended December 31, 2001			
Basic EPS	$121,496	77,671	$ 1.56
Incremental shares from assumed exercise of dilutive options	-	1,304	
Diluted EPS	$121,496	78,975	$ 1.54
Year Ended December 31, 2000			
Basic EPS	$101,016	77,785	$ 1.30
Incremental shares from assumed exercise of dilutive options	-	775	
Diluted EPS	$101,016	78,560	$ 1.29
Year Ended December 31, 1999			
Basic EPS	$ 89,863	79,131	$ 1.14
Incremental shares from assumed exercise of dilutive options and warrants	-	236	
Diluted EPS	$ 89,863	79,367	$ 1.13

Options to purchase 1.4 million and 1.0 million shares of common stock that were outstanding during the years ended 2000 and 1999, 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.

NOTE 3 - BUSINESS ACQUISITIONS AND DIVESTITURES

Each acquisition completed in 2001 and 2000 was accounted for under the purchase method of accounting; accordingly, the results of their operations are included in the accompanying financial statements since the respective dates of the acquisitions. The purchase prices were allocated on the basis of estimates of the fair values of assets acquired and liabilities assumed. The preliminary allocation of purchase prices, subject primarily to the completion of fixed asset and intangible asset valuations, is outlined below.

In October 2001, the Company completed the acquisition of Degussa Dental Group ("Degussa Dental"), a unit of Degussa AG, pursuant to the May 2001 Sale and Purchase Agreement. The preliminary purchase price for Degussa Dental was 548 million Euros or $503 million, which was paid at closing. The preliminary purchase price is subject to increase or decrease, based on certain working capital levels of Degussa Dental as of October 1, 2001. The Company expects that the final purchase price will be approximately 576 million Euros or $530 million, excluding restructuring and other costs associated with the acquisition of approximately $8.0 million. In accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets", the goodwill and indefinite lived intangible assets associated with this acquisition were not amortized. Degussa Dental manufactures and sells dental products, including precious metal alloys, ceramics and dental laboratory equipment, and chairside products. Headquartered in Hanau-Wolfgang, Germany since 1992, Degussa Dental Group has production facilities throughout the world.

In August 1996, the Company purchased a 51% interest in CeraMed Dental ("CeraMed") for $5 million with the right to acquire the remaining 49% interest. In March 2001, the Company entered into an agreement for an early buy out of the remaining 49% interest in CeraMed at a cost of $20 million, which was made in July 2001, with a potential contingent consideration ("earn-out") provision capped at $5 million. The earn-out is based on future sales of CeraMed products during the August 1, 2001 to July 31, 2002 time frame with any additional pay out due on September 30, 2002. In accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets", the goodwill associated with the acquisition of the 49% interest was not amortized.

Certain assets of Tulsa Dental Products LLC were purchased in January 1996 for $75.1 million, plus $5.0 million paid in May 1999 related to earn-out provisions in the purchase agreement based on performance of the acquired business. The purchase agreement provided for an additional earn-out payment based upon the operating performance of the Tulsa Dental business for one of the three two-year periods ending December 31, 2000, December 31, 2001 or December 31, 2002, as selected by the seller. The seller chose the two-year period ended December 31, 2000 and the final earn-out payment of $84.6 million was made in May 2001 resulting in an increase in goodwill.

In January 2001, the Company agreed to acquire the dental injectible anesthetic assets of AstraZeneca ("AZ Assets"), including permanent, exclusive and royalty-free licensing rights to the dental products and tradenames, for $136.5 million and royalties on future sales of a new anesthetic product for scaling and root planing, Oraqix(TM) ("Oraqix"), that was in Stage III clinical trials at the time of the agreement. The $136.5 million purchase price was composed of the following: an initial $96.5 million payment which was made at closing in March 2001; a $20 million contingency payment associated with the first year sales of injectible dental anesthetic which has been accrued in 2001 and will be paid in the first quarter of 2002; a $10 million payment upon submission of an Oraqix New Drug Application ("NDA") in the U.S., and Marketing Authorization Application ("MAA") in Europe for the Oraqix product under development; and a $10 million payment upon approval of the NDA and MAA. Because the Oraqix product has not received regulatory approvals for its use, payments made with respect to this product prior to approval are considered to be research and development costs and are expensed as incurred. After an analysis of the available clinical data, the Company concluded that the Oraqix product does not provide pain relief equivalent to that provided by injectible anesthetic. As a result, the Company renegotiated the contract to require a $2.0 million payment upon submission of the NDA and MAA, an $8.0 million payment and a $10.0 million prepaid royalty upon approval of both applications. The $2.0 million payment was accrued and expensed during the fourth quarter of 2001 (see Note 13).

In January 2001, the Company acquired the outstanding shares of Friadent GmbH ("Friadent") for 220 million German marks or $106 million ($105 million, net of cash acquired). Headquartered in Mannheim, Germany, Friadent is a major global dental implant manufacturer and marketer with subsidiaries in Germany, France, Denmark, Sweden, the United States, Switzerland, Brazil, and Belgium.

The acquisitions above were accounted for under the purchase method of accounting; accordingly, the results of their operations are included in the accompanying financial statements since the respective dates of the acquisitions. The purchase prices plus direct acquisition costs have been allocated on the basis of estimated fair values at the dates of acquisition, pending final determination of the fair value of certain acquired assets and liabilities. The acquisition costs for Tulsa and Ceramed were allocated to goodwill. The preliminary purchase price allocations for Degussa Dental, Friadent and the AZ Assets are as follows:

	Degussa Dental	Friadent	AZ Assets
		(in thousands)	
Current assets	$ 173,537	$ 16,244	$ -
Property, plant and equipment	45,979	4,184	1,082
Identifiable intangible assets and costs in excess of fair value of net assets acquired	396,099	114,085	123,945 *
Other long-term assets	8,655	1,119	-
Current liabilities	(86,987)	(27,553)	(5,680)
Other long-term liabilities	(34,336)	(3,054)	-
	$ 502,947	$ 105,025	$ 119,347

* Includes accrual made for the earn-out payment of $20.6 million.

Unaudited pro forma results of operations assume the acquisitions made during 2001 had occurred on January 1, 2000 and are presented below. No effect has been given in this pro forma information for any of the acquisitions made during 2000 as their effect would not be significant. Though useful for comparison, these pro forma results are not intended to reflect actual earnings had the acquisitions occurred on the dates indicated and are not a projection of future results or trends.

	As Reported	Pro Forma Results (Unaudited)
	(in thousands, except per share amounts)	
Year ended December 31, 2001		
Net sales	$ 1,129,094	$ 1,449,141
Net income	121,496	121,137
Earnings per common share		
Basic	$ 1.56	$ 1.56
Diluted	1.54	1.54
Year ended December 31, 2000		
Net sales	$ 889,796	$ 1,455,289
Net income	101,016	86,357
Earnings per common share		
Basic	$ 1.30	$ 1.11
Diluted	1.29	1.10

In October 2000, the Company acquired certain assets and the business of PVI, Inc., doing business as PreVest, Inc. ("PreVest"), for $2.0 million. The business is a multi-industry manufacturer of investment materials produced for the precision casting of metal alloys.

In September 2000, the Company purchased the assets of the ultrasonic dental tip business of San Diego Swiss Machining, Inc. ("SDSM") for $7.7 million. Headquartered in Chula Vista, California, the dental tip business of SDSM produces and distributes a proprietary line of ultrasonic instrument tips used to shape and clean root canals during endodontic therapy.

In August 2000, the Company acquired a 51% interest in ESP, LLC ("ESP"), located in New Orleans, Louisiana, for $2.5 million. ESP manufactures and markets the Chimal product lines of lotions and creams to the worldwide dental, medical, automotive, cosmetology, industrial and food markets. The Chimal skin shield contains ingredients that bond to the skin and seal out irritants such as chemicals and solvents while sealing in natural moisturizers.

In July 2000, the Company purchased the assets of Darway Inc. ("Darway"), of San Mateo, California, for $3.5 million. Darway manufactures the patented Palodent Contoured Sectional Matrix System, which is used by dentists to provide a means to contain filling material when the restoration of a tooth requires removing tooth structure that faces an adjacent tooth, the tongue or the cheek.

In July 2000, the Company purchased certain assets of Midwest Orthodontic Manufacturing, LLC ("MOM"), based in Columbus, Indiana, for $0.6 million. MOM produces a broad array of ancillary materials used in orthodontia from its Indiana facility, including elastics, retainer cases and springs.

No acquisitions were completed in 1999.

In January 2002, the Company acquired the partial denture business of Austenal Inc., in a cash transaction valued at approximately $23.8 million, including debt assumed. Headquartered in Chicago, Illinois, Austenal manufactures dental laboratory products and is the world leader in the manufacture and sale of systems used by dental laboratories to fabricate partial dentures.

In March 2001, the Company sold InfoSoft, LLC to PracticeWorks, Inc. InfoSoft, LLC, a wholly owned subsidiary of the Company, that developed and sold software and related products for dental practice management. PracticeWorks is the dental software management and dental claims processing company which was spun-off by Infocure Corporation. In the transaction, the Company received 6.5% convertible preferred stock in PracticeWorks, with a fair value of $32 million. This investment plus accrued dividends to date are included in "Other noncurrent assets". These preferred shares are convertible into approximately 1.0 million shares of PracticeWorks common stock. If not previously converted, the preferred shares are redeemable for cash after 5 years. This sale resulted in a $23.1 million pretax gain which is included in "Other (income) expense, net". The Company will measure recoverability on this investment on a periodic basis.

NOTE 4 - SEGMENT AND GEOGRAPHIC INFORMATION

The Company follows Statement of Financial Accounting Standards No. 131 ("SFAS 131"), "Disclosures about Segments of an Enterprise and Related Information". SFAS 131 establishes standards for reporting information about reporting segments in financial statements. The Company has four operating segments that report to the chief operating decision maker. Each of the operating segments cover a wide range of product and geographic responsibility. These operating segments are aggregated into one reportable segment for purposes of SFAS 131. Substantially all of the Company's operating segments do business as a designer, manufacturer and distributor of dental products. Dental products represented approximately 97%, 95% and 94% of sales in 2001, 2000 and 1999, respectively.

The Company's operations are structured to achieve consolidated objectives. As a result, significant interdependencies exist among the Company's operations in different geographic areas. Intercompany sales of manufacturing materials between areas are at prices which, in general, provide a reasonable profit after coverage of all manufacturing costs. Intercompany sales of finished goods are at prices intended to provide a reasonable profit for purchasing locations after coverage of marketing and general and administrative costs.

The following table sets forth information about the Company's operations in different geographic areas for 2001, 2000 and 1999. Net sales reported below represents revenues from external customers of operations resident in the country or territory identified. Assets by geographic area are those used in the operations in the geographic area.

	United States	Germany	Other Foreign	Consolidated
		(in thousands)		
2001				
Net sales	$ 627,358	$156,595	$ 345,141	$ 1,129,094
Long-lived assets	138,380	66,756	91,584	296,720
2000				
Net sales	$ 560,692	$57,989	$ 271,115	$ 889,796
Long-lived assets	87,314	42,049	66,519	195,882
1999				
Net sales	$ 509,004	$65,688	$ 261,746	$ 836,438
Long-lived assets	82,768	43,932	66,454	193,154

The following table presents sales information by product for the Company:

	Year Ended December 31,		
	2001	2000	1999
		(in thousands)	
Consumables and small equipment	$ 1,008,133	$765,751	$ 716,519
Heavy equipment	81,913	76,374	71,867
Other	39,048	47,671	48,052
	$ 1,129,094	$889,796	$ 836,438

Third party export sales from the United States are less than ten percent of consolidated net sales. One customer, a distributor, accounted for 11%, 14% and 13% of consolidated net sales in 2001, 2000 and 1999, respectively. Another customer, a distributor, accounted for 9% of consolidated net sales in 2001 and 10% in 2000 and 1999.

NOTE 5 - INVENTORIES

Inventories consist of the following:

	December 31, 2001	2000
	(in thousands)	
Finished goods	$119,030	$ 84,436
Work-in-process	35,539	22,102
Raw materials and supplies	42,885	26,766
	$197,454	$133,304

NOTE 6 - PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consist of the following:

	December 31, 2001	2000
	(in thousands)	
Assets, at cost:		
Land	$19,752	$14,525
Buildings and improvements	128,053	87,381
Machinery and equipment	262,265	170,141
Construction in progress	20,566	13,211
	430,636	285,258
Less: Accumulated depreciation	189,746	103,917
	$240,890	$181,341

NOTE 7 - IDENTIFIABLE INTANGIBLE ASSETS

Identifiable intangible assets consist of the following:

	December 31, 2001	2000
	(in thousands)	
Patents	$ 64,514	$ 47,605
Trademarks	64,710	31,737
Licensing agreements	150,477	29,733
Other	44,961	34,922
	324,662	143,997
Less: Accumulated amortization	75,772	63,267
	$248,890	$ 80,730

NOTE 8 - ACCRUED LIABILITIES

Accrued liabilities consist of the following:

	December 31, 2001	2000
	(in thousands)	
Payroll, commissions, bonuses and other cash compensation	$39,139	$ 20,129
Employee benefits	15,458	7,893
General insurance	13,886	12,052
Sales and marketing programs	21,533	7,428
Restructuring and other costs	24,497	6,897
Earn-out related to the AZ Asset purchase	20,622	-
Other	59,222	33,659
	$ 194,357	$ 88,058

NOTE 9 - FINANCING ARRANGEMENTS

Short-Term Borrowings

Short-term bank borrowings amounted to $3.5 million and $0.4 million at December 31, 2001 and 2000, respectively. The weighted average interest rates of these borrowings were 3.3% and 8.61% at December 31, 2001 and 2000, respectively. Unused lines of credit for short-term financing at December 31, 2001 and 2000 were $66.9 million and $54.7 million, respectively. Substantially all short-term borrowings were classified as long-term as of December 31, 2001 and 2000, reflecting the Company's intent and ability to refinance these obligations beyond one year and are included in the table below. Substantially all unused lines of credit have no major restrictions and are provided under demand notes between the Company and the lending institution. Interest is charged on borrowings under these lines of credit at various rates, generally below prime or equivalent money rates.

Long-Term Borrowings

	December 31, 2001	2000
	(in thousands)	
$250 million multi-currency revolving credit agreement expiring May 2006, Japanese yen 1.3 billion at 0.63%, Swiss francs 230.0 million at 2.52%	$ 147,028	$ -
$250 million multi-currency revolving credit agreement expiring May 2002, Japanese yen 7.3 billion at 0.65%	55,338	-
Prudential Private Placement Notes, Swiss franc denominated, 84.4 million at 4.56% and 82.5 million at 4.42% maturing March 2007, 80.4 million at 4.96% maturing October 2006	147,489	-
ABN Private Placement Note, Japanese yen 6.2 billion at 1.39% maturing December 2005	47,527	-
Euro 350.0 million Eurobonds at 5.75% maturing December 2006	303,563	-
$200 million commercial paper facility rated A/2-P/2 U.S. dollar borrowings at 2.30%	6,650	-
$175 million multi-currency revolving credit agreement expiring October 2002	-	92,105
$20 million bank multi-currency revolving credit agreement expiring October 2001	-	8,031
Other borrowings, various currencies and rates	20,061	9,740
	727,656	109,876
Less: Current portion (included in notes payable and current portion of long-term debt)	4,132	376
	$ 723,524	$ 109,500

The table below reflects the contractual maturity dates of the various borrowings at December 31, 2001. The borrowings contractually due in 2002 have been classified as long-term due to the Company's intent and ability to renew or refinance these obligations beyond 2002.

2002	$ 214,282
2003	23,568
2004	17,831
2005	49,971
2006 and thereafter	417,872
	$ 723,524

In July 1998, the Company entered into interest rate swap agreements with notional amounts totaling $80.0 million which converted a portion of the Company's variable rate financing to fixed rates. The average fixed rate of these agreements was 5.7% and fixed the rate for an average of five years. The U.S. dollar swaps were terminated in February 2001 at a cost of $1.2 million, which is being amortized over the remaining term of the related debt. In January 2000 and February 2001, the Company entered into interest rate swap agreements with notional amounts totaling Swiss franc 180 million which converts a portion of the Company's variable rate financing to fixed rates. The average fixed rate of these agreements is 3.3% and fixes the rate for an average of four years. In December 2001, the Company entered into a series of fixed to variable rate swaps to convert its fixed rate 5.75% coupon Eurobonds into variable debt, currently at 3.2%. Additionally, the Company entered into a series of freestanding Euro to U.S. dollar cross currency basis swaps to effectively convert the Eurobonds and related interest expense to U.S. dollar. DENTSPLY Sankin, the Company's Japanese subsidiary acquired in the Degussa transaction, has an interest rate swap with a notional amount of Japanese yen 70 million to convert its variable rate debt into fixed rate of 2.9% which matures in December 2002.

In May 2001, the Company replaced and increased its multiple revolving credit agreements with a single agreement providing a total available credit of $500 million with participation from thirteen banks. The revolving credit agreements contain certain affirmative and negative covenants as to the operations and financial condition of the Company, the most restrictive of which pertain to asset dispositions, maintenance of certain levels of net worth, and prescribed ratios of indebtedness to total capital and operating income plus depreciation and amortization to interest expense. The Company pays a facility fee of 0.125 % annually on the amount of the commitment under the $250 million five year facility and 0.10 % annually under the $250 million 364-day facility. Interest rates on amounts borrowed under the facility will depend on the maturity of the borrowing, the currency borrowed, the interest rate option selected, and the Company's long-term credit rating from Moody's and Standard and Poors.

The $250 million 364-day facility A may be extended, subject to certain conditions, for additional periods of 364 days, which the Company intends to extend annually. The entire $500 million revolving credit agreement has a usage fee of 0.125 % annually if utilization exceeds 50% of the total available facility.

The $200 million commercial paper facility has utilization, dealer, and annual appraisal fees which on average cost 0.11 % annually. The $250 million 364-day revolving credit facility A acts as back-up credit to this commercial paper facility. The total available credit under the commercial paper facility and the 364-day facility is $250 million. The short-term commercial paper borrowings were classified as long-term, as of December 31, 2001, reflecting the Company's intent and ability to renew these obligations beyond 2002.

In March 2001, the Company issued Series A and B private placement notes to Prudential Capital Group totaling Swiss francs 166.9 million ($100 million) at an average rate of 4.49% with six year final maturities. The notes were issued to finance the acquisition of the AZ Assets. In October 2001 the Company issued a Series C private placement note to Prudential Capital Group for Swiss francs 80.4 million ($50 million) at rate of 4.96% with a five year final maturity. The series A and B notes were also amended to increase the interest rate by 30 basis points, reflecting the Company's higher leverage. In December 2001, the Company issued a private placement note through ABN AMRO for Japanese yen 6.2 billion ($50 million) at rate of 1.39% with a four year final maturity. The Series C note and the ABN note were issued to partially finance the Degussa Dental acquisition.

The Company issued 350 million Eurobonds with a coupon of 5.75%, maturing December 2006 at an effective yield of 5.89%. These bonds were issued to partially finance the Degussa Dental acquisition.

NOTE 10 - STOCKHOLDERS' EQUITY

The Board of Directors authorized the repurchase of 1.5 million, 6.0 million and 0.8 million shares of common stock for the years ended December 31, 2001, 2000 and 1999, respectively, on the open market or in negotiated transactions. Each of these authorizations to repurchase shares expired on December 31 of the respective years. The Company repurchased 37,500 shares for $0.9 million, 2.2 million shares for $40.1 million and 0.3 million shares for $3.9 million in 2001, 2000 and 1999, respectively.

A former Chairman of the Board holds options to purchase 45,000 shares of common stock at an exercise price of $14.83, which was equal to the market price on the date of grant. The options are exercisable at any time through January 2004.

The Company has four stock option plans (1987 Plan, 1992 Plan, 1993 Plan and 1998 Plan). Under the 1987, 1992 and 1993 Plans, a committee appointed by the Board of Directors granted to key employees and directors of the Company options to purchase shares of common stock at an exercise price determined by such committee, but not less than the fair market value of the common stock on the date of grant. Options expire ten years and one month or ten years and one day after date of grant under the 1987 Plan and 1992 Plan, respectively. Options generally expire ten years after the date of grant under the 1993 Plan. For the 1987 Plan, 1992 Plan and 1993 Plan, grants become exercisable over a period of three years after the date of grant at the rate of one-third per year, except that they become immediately exercisable upon death, disability or retirement.

The 1998 Plan authorized that 6.5 million shares of common stock, plus shares not granted under the 1993 Plan, may be granted under the plan, subject to adjustment as follows: each January, if 7% of the outstanding common shares of the Company exceed 6.5 million, the excess becomes available for grant under the plan. No further grants can be made under the 1993 Plan. The 1998 Plan enables the Company to grant "incentive stock options" ("ISOs") within the meaning of Section 422 of the Internal Revenue Code of 1986, as amended, to key employees of the Company, and "non-qualified stock options" ("NSOs") which do not constitute ISOs to key employees and non-employee directors of the Company. Each non-employee director receives automatic NSOs to purchase 9,000 shares of common stock on the date he or she becomes a non-employee director and an additional 9,000 options on the third anniversary of the date the non-employee director was last granted an option. Grants of options to key employees are solely discretionary. ISOs and NSOs generally expire ten years from date of grant and become exercisable over a period of three years after the date of grant at the rate of one-third per year, except that they become immediately exercisable upon death, disability or retirement.

The following is a summary of the status of the Plans as of December 31, 2001, 2000 and 1999 and changes during the years ending on those dates:

	Outstanding		Exercisable		
	Shares	Weighted Average Exercise Price	Shares	Weighted Average Exercise Price	Available for Grant Shares
December 31, 1998	3,692,567	$ 15.46	2,041,451	$ 13.89	5,480,850
Authorized	-				641,316
Granted	1,839,000	15.86			(1,839,000)
Exercised	(310,449)	12.98			-
Expired/Canceled	(153,750)	16.78			153,750
December 31, 1999	5,067,368	15.72	2,401,523	14.95	4,436,916
Authorized	-				15,957
Granted	1,377,600	24.43			(1,377,600)
Exercised	(501,531)	14.75			-
Expired/Canceled	(151,194)	16.65			151,194
December 31, 2000	5,792,243	17.85	2,989,478	15.64	3,226,467
Authorized	-				250,730
Granted	1,605,900	30.43			(1,605,900)
Exercised	(497,813)	16.01			-
Expired/Canceled	(167,087)	18.47			(167,087)
December 31, 2001	6,733,243	$ 20.97	3,732,179	$ 16.76	1,704,210

The following table summarizes information about stock options outstanding under the Plans at December 31, 2001:

	Options Outstanding			Options Exercisable	
Exercise Price Range	Number Outstanding at December 31 2001	Weighted Average Remaining Contractual Life (in years)	Weighted Average Exercise Price	Number Exercisable at December 31 2001	Weighted Average Exercise Price
$10.01 - $13.33	551,664	3.2	$ 12.35	551,664	$ 12.35
13.34 - 16.67	2,574,486	6.5	15.58	2,150,643	15.65
16.68 - 20.00	699,596	6.6	18.96	573,351	19.06
20.01 - 23.33	226,550	8.3	22.51	67,455	21.51
23.34 - 26.67	1,188,599	8.9	24.95	389,066	24.95
26.68 - 30.00	86,400	9.5	28.12	-	-
30.01 - 33.33	1,405,948	9.9	31.17	-	-
	6,733,243	7.5	$ 20.97	3,732,179	$ 16.76

The Company uses the Black-Scholes option pricing model to value option awards. The per share weighted average fair value of stock options and the weighted average assumptions used to determine these values are as follows:

	Year Ended December 31,		
	2001	2000	1999
Per share fair value	$ 11.47	$ 9.01	$ 6.16
Expected dividend yield	0.61%	0.75%	1.04%
Risk-free interest rate	5.01%	5.37%	6.16%
Expected volatility	33%	32%	29%
Expected life (years)	5.50	5.50	6.50

The Black-Scholes option pricing model was developed for tradable options with short exercise periods and is therefore not necessarily an accurate measure of the fair value of compensatory stock options.

The Company applies Accounting Principles Board Opinion No. 25 in accounting for the Plans and, accordingly, no compensation cost has been recognized for stock options in the financial statements. Had the Company determined compensation cost based on the fair value of stock options at the grant date under SFAS 123, the Company's net income and earnings per common share would have been reduced as indicated below:

	Year Ended December 31,		
	2001	2000	1999
	(in thousands, except per share amounts)		
Net income			
As reported	$ 121,496	$ 101,016	$ 89,863
Pro forma under SFAS 123	115,359	96,402	86,703
Basic earnings per common share			
As reported	1.56	1.30	1.14
Pro forma under SFAS 123	1.49	1.24	1.10
Diluted earnings per common share			
As reported	1.54	1.29	1.13
Pro forma under SFAS 123	1.46	1.23	1.09

NOTE 11 - INCOME TAXES

The components of income before income taxes are as follows:

	Year Ended December 31,		
	2001	2000	1999
		(in thousands)	
United States ("U.S.")	$136,135	$120,149	$111,038
Foreign	48,992	31,647	26,981
	$185,127	$151,796	$138,019

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

	Year Ended December 31,		
	2001	2000	1999
		(in thousands)	
Current:			
U.S. federal	$ 44,237	$ 34,291	$ 33,813
U.S. state	1,331	1,330	1,497
Foreign	11,612	10,910	11,252
Total	57,180	46,531	46,562
Deferred:			
U.S. federal	13,813	7,356	(1,943)
U.S. state	1,141	669	(274)
Foreign	(8,503)	(3,776)	3,811
Total	6,451	4,249	1,594
	$ 63,631	$ 50,780	$ 48,156

The reconcilation of the U.S. federal statutory tax rate to the effective rate is as follows:

	Year Ended December 31,		
	2001	2000	1999
Statutory federal income tax rate	35.0 %	35.0 %	35.0 %
Effect of:			
State income taxes, net of federal benefit	0.9	0.9	0.6
Nondeductible amortization of goodwill	1.0	1.2	1.4
Foreign earnings at various rates	(2.7)	(2.3)	1.5
Foreign tax credit	(0.8)	(0.5)	(5.0)
Foreign losses with no tax benefit	0.5	0.8	0.9
Extraterritorial income	(0.9)	(1.0)	(1.0)
Tax exempt income	-	(0.7)	-
Other	1.4	0.1	1.5
Effective income tax rate	34.4 %	33.5 %	34.9 %

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

	December 31, 2001		December 31, 2000	
	Current Asset (Liability)	Noncurrent Asset (Liability)	Current Asset (Liability)	Noncurrent Asset (Liability)
	(in thousands)			
Employee benefit accruals	$ 1,725	$ 7,711	$ 1,536	$ 5,023
Product warranty accruals	2,055	-	1,703	-
Facility relocation accruals	107	217	15	217
Insurance premium accruals	4,145	-	4,402	-
Restructuring and other cost accruals	3,025	5,602	168	14,180
Differences in financial reporting and tax basis for:				
Inventory	5,418	-	907	-
Property, plant and equipment	-	(23,866)	-	(23,107)
Identifiable intangible assets	-	(16,151)	-	(13,985)
Other	11,105	(1,011)	5,082	1,378
Tax loss carryforwards in foreign jurisdictions	-	2,864	-	2,353
Valuation allowance for tax loss carryforwards	-	(2,864)	-	(2,353)
	$ 27,580	$(27,498)	$ 13,813	$ (16,294)

Current and noncurrent deferred tax assets and liabilities are included in the following balance sheet captions:

	December 31,	
	2001	2000
	(in thousands)	
Prepaid expenses and other current assets	$ 29,069	$ 16,554
Income taxes payable	(1,489)	(2,741)
Other noncurrent assets	5,028	526
Deferred income taxes	(32,526)	(16,820)

Certain foreign subsidiaries of the Company have tax loss carryforwards of $28.8 million at December 31, 2001, of which $7.7 million expire through 2009 and $21.1 million may be carried forward indefinitely. The tax benefit of these tax loss carryforwards has been partially offset by a valuation allowance. The valuation allowance of $2.8 million and $2.4 million at December 31, 2001 and 2000, respectively, relates to foreign tax loss carryforwards for which realizability is uncertain. The change in the valuation allowances for 2001 and 2000 results primarily from the generation of additional foreign tax loss carryforwards.

The Company has provided for the potential repatriation of certain undistributed earnings of its foreign subsidiaries and considers earnings above the amounts on which tax has been provided to be permanently reinvested. Income taxes have not been provided on $132 million of undistributed earnings of foreign subsidiaries, which will continue to be reinvested. If remitted as dividends, these earnings could become subject to additional tax, however such repatriation is not anticipated. Any additional amount of tax is not practical to estimate, however, the Company believes that U.S. foreign tax credits would largely eliminate any U.S. tax payable.

NOTE 12 - BENEFIT PLANS

Defined Contribution Plans

Substantially all of the employees of the Company and its subsidiaries are covered by government or Company-sponsored benefit plans. Total costs for Company-sponsored defined benefit, defined contribution and employee stock ownership plans amounted to $7.9 million in 2001, $5.1 million in 2000 and $5.3 million in 1999.

The DENTSPLY Employee Stock Ownership Plan ("ESOP") is a non-contributory defined contribution plan that covers substantially all of the United States based non-union employees of the Company. Contributions to the ESOP for 2001, 2000 and 1999 were $2.1 million for each year. The Company makes annual contributions to the ESOP of not less than the amounts required to service ESOP debt. In connection with the refinancing of ESOP debt in March 1994, the Company agreed to make additional cash contributions totaling at least $1.7 million through 2003. Dividends received by the ESOP on allocated shares are either reinvested in participants' accounts or passed through to Plan participants, at the participant's election. Most ESOP shares were initially pledged as collateral for its debt. As the debt is repaid, shares are released from collateral and allocated to active employees based on the proportion of debt service paid in the year. At December 31, 2001, the ESOP held 8.2 million shares, of which 7.5 million were allocated to plan participants and 0.7 million shares were unallocated and pledged as collateral for the ESOP debt. Unallocated shares were acquired prior to December 31, 1992 and are accounted for in accordance with Statement of Position 76-3. Accordingly, all shares held by the ESOP are considered outstanding and are included in the earnings per common share computations.

The Company sponsors an employee 401(k) savings plan for its United States workforce to which enrolled participants may contribute up to IRS defined limits.

Defined Benefit Plans

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

The Company maintains defined benefit pension plans for its employees in Germany, Japan, The Netherlands, and Switzerland. These plans provide benefits based upon age, years of service and remuneration. The German plans are unfunded book reserve plans. Other foreign plans are not significant individually or in the aggregate. Most employees and retirees outside the United States are covered by government health plans.

Postretirement Healthcare

The plans for postretirement healthcare have no plan assets. The postretirement healthcare plan covers certain union and salaried employee groups in the United States and is contributory, with retiree contributions adjusted annually to limit the Company's contribution to $21 per month per retiree for most participants who retired after June 1, 1985. The Company also sponsors unfunded non-contributory postretirement medical plans for a limited number of union employees and their spouses and retirees of a discontinued operation.

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

	Pension Benefits		Other Postretirement Benefits	
	December 31,		December 31,	
	2001	2000	2001	2000
	(in thousands)			
Reconciliation of Benefit Obligation				
Benefit obligation at beginning of year	$ 60,781	$ 55,227	$ 7,552	$ 6,756
Service cost	1,877	1,960	205	182
Interest cost	3,548	3,072	539	542
Participant contributions	813	60	391	-
Actuarial losses	1,561	4,615	268	1,163
Amendments	-	358	-	-
Acquisitions	19,540	-	-	-
Effects of exchange rate changes	(3,126)	(1,922)	-	-
Benefits paid	(3,860)	(2,589)	(1,078)	(1,091)
Benefit obligation at end of year	$ 81,134	$ 60,781	$ 7,877	$ 7,552
Reconciliation of Plan Assets				
Fair value of plan assets at beginning of year	$ 41,183	$ 40,204	$ -	$ -
Actual return on assets	(471)	1,498	-	-
Acquisitions	4,751	-	-	-
Effects of exchange rate changes	(1,395)	(377)	-	-
Employer contributions	2,327	1,832	687	1,091
Participant contributions	813	615	391	-
Benefits paid	(3,860)	(2,589)	(1,078)	(1,091)
Fair value of plan assets at end of year	$ 43,348	$ 41,183	$ -	$ -
Reconciliation of Funded Status				
Actuarial present value of projected benefit obligations	$ 81,134	$ 60,781	$ 7,877	$ 7,552
Plan assets at fair value	43,348	41,183	-	-
Funded status	(37,786)	(19,598)	(7,877)	(7,552)
Unrecognized transition obligation	1,590	1,949	-	-
Unrecognized prior service cost	678	801	-	-
Unrecognized net actuarial gain (loss)	1,482	(3,406)	(2,450)	(1,914)
Unfunded benefit obligations at end of year	$(34,036)	$(20,254)	$(10,327)	$(9,466)

The amounts recognized in the accompanying Consolidated Balance Sheets are as follows:

	Pension Benefits		Other Postretirement Benefits	
	December 31,		December 31,	
	2001	2000	2001	2000
	(in thousands)			
Other noncurrent liabilities	$ (43,589)	$ (29,492)	$ (10,327)	$ (9,466)
Other noncurrent assets	8,669	8,567	-	-
Accumulated other comprehensive loss	884	671	-	-
Unfunded benefit obligation at end of year	$ (34,036)	$ (20,254)	$ (10,327)	$ (9,466)

The aggregate benefit obligation for those plans where the accumulated benefit obligation exceeded the fair value of plan assets was $43.6 million and $29.5 million at December 31, 2001 and 2000, respectively.

Components of the net periodic benefit cost for the plans are as follows:

	Pension Benefits			Other Postretirement Benefits		
	2001	2000	1999	2001	2000	1999
			(in thousands)			
Service cost	$ 1,877	$ 1,960	$ 2,090	$ 205	$ 182	$ 160
Interest cost	3,548	3,072	3,170	539	542	488
Expected return on plan assets	(2,525)	(2,020)	(2,435)	-	-	-
Net amortization and deferral	287	(2,368)	(1,300)	(63)	174	(108)
Net periodic benefit cost	$ 3,187	$ 644	$ 1,525	$ 681	$ 898	$ 540

The weighted average assumptions used in accounting for the Company's plans, principally in foreign locations, are as follows:

	Pension Benefits			Other Postretirement Benefits		
	2001	2000	1999	2001	2000	1999
Discount rate	4.4%	5.7%	5.6%	7.3%	7.0%	7.5%
Expected return on plan assets	5.0%	5.7%	5.0%	n/a	n/a	n/a
Rate of compensation increase	2.5%	3.5%	3.0%	n/a	n/a	n/a
Health care cost trend	n/a	n/a	n/a	7.0%	7.0%	7.0%

Assumed health care cost trend rates have an impact on the amounts reported for postretirement benefits. A one percentage point change in assumed healthcare cost trend rates would have the following effects for the year ended December 31, 2001:

	Other Postretirement Benefits	
	1% Increase	1% Decrease
	(in thousands)	
Effect on total of service and interest cost components	$ 86	$ (61)
Effect on postretirement benefit obligation	804	(327)

NOTE 13 - RESTRUCTURING AND OTHER COSTS (INCOME)

Restructuring and other costs (income) consists of the following:

	Year Ended December 31,		
	2001	2000	1999
	(in thousands)		
Gain on pension plan termination	$ (8,486)	$ -	$ -
Gain on insurance settlement associated with fire	(5,758)	-	-
Costs related to the Oraqix agreement	2,345	-	-
Reversal of 1998 restucturing charge	(802)	-	-
Restructuring and other costs	17,774	2,702	-
German property settlement	-	(2,758)	-
Total restructuring and other costs (income)	$ 5,073	$ (56)	$ -

The Company's subsidiary in the United Kingdom restructured its pension plans in the fourth quarter of 2001, simplifying its structure by consolidating its two separate defined contribution plans into one plan and terminating the other plan. An unallocated surplus of approximately $8.5 million existed in the terminated plan. As a result, these unallocated funds reverted back to the Company.

On January 25, 2001, a fire broke out in one the Company's Swiss manufacturing facilities. The fire caused severe damage to a building and to most of the equipment it contained. The Company has received insurance proceeds for its destoyed equipment, and it expects some additional proceeds to be received by the second quarter of 2002 to settle the building damage. These payments resulted in the Company recognizing a net gain on the disposal of the destroyed equipment of approximately $5.8 million.

As discussed in Note 3, the Company has agreed in 2001 to a payment of $2.0 million to AstraZenaca related to the submission of the Oraqix product New Drug Application in the U.S., and Marketing Authorization Application in Europe. Under the terms of the agreement, the Company expensed and accrued this payment and related estimated application costs as of December 31, 2001.

In the fourth quarter of 1998, the Company recorded a restructuring charge of $42.5 million related to the discontinuance of the intra-oral camera business at the Company's New Image division located in Carlsbad, California. The charge included the write-off of certain intangible assets, including goodwill associated with the business, write-off of discontinued products, write-down of fixed assets and other assets, and severance and other costs associated with the discontinuance of the New Image division and closure of its facility. During 2001 this plan was completed and the remaining accrual balances of $0.8 million were reversed as a change in estimate.

In the fourth quarter of 2001, the Company recorded a charge of $12.3 million for restructuring and other costs. The charge included costs of $6.0 million to restructure the Company's existing operations, primarily in Germany, Japan and Brazil, as a result of the integration with Degussa Dental. The primary effect of this plan is the elimination of duplicative functions created as a result of combining the Company's operations in these countries with those of Degussa Dental. Included in this charge were severance costs of $2.1 million, lease/contract termination costs of $1.1 and other restructuring costs of $0.2 million. In addition, the Company recorded $2.6 million of impairment charges on fixed assets that will be disposed of as a result of the restructuring plan. This restructuring plan will result in the elimination of approximately 160 administrative and manufacturing positions in Germany, Japan and Brazil, substantially all of which remain to be eliminated as of December 31, 2001. The Company anticipates that most aspects of this plan will be completed by the fourth quarter of 2002. The remaining charge of $6.3 million involves impairment charges on intangible assets.

In the first quarter of 2001, the Company recorded a charge of $5.5 million related to reorganizing certain functions within Europe, Brazil and North America. The primary objectives of this reorganization were to consolidate duplicative functions and to improve efficiencies within these regions and are expected to contribute to future earnings. Included in this charge were severance costs of $3.1 million, lease/contract termination costs of $0.6 million and other restructuring costs of $0.8 million. These other costs are primarily for legal costs associated with the severance arrangements. In addition, the Company recorded $1.0 million of impairment charges on fixed assets that will be disposed of as a result of the restructuring plan. This restructuring plan will result in the elimination of approximately 330 administrative and manufacturing positions in Brazil and Germany. At December 31, 2001, approximately 20 of these positions remain to be eliminated. The Company anticipates that most aspects of this plan will be completed by the first quarter of 2002.

As part of combining Friadent and Degussa Dental with the Company, $14.1 million of liabilities were established through purchase price accounting for the restructuring of the acquired companies' operations in Germany, Brazil, the United States and Japan. These liabilities relate primarily to the elimination of duplicative functions created as a result of combining the companies. Included in this liability were severance costs of $11.9 million, lease/contract termination costs of $1.1 million and other restructuring costs of $1.1 million. This restructuring plan will result in the elimination of approximately 200 administrative and manufacturing positions in Germany, Brazil and the United States, substantially all of which remain to be eliminated as of December 31, 2001. The Company anticipates that most aspects of this plan will be completed by the fourth quarter of 2002.

The major components of these restructuring charges and the amounts recorded through purchase price accounting and the remaining outstanding balances at December 31, 2001 are as follows:

	2001 Provisions	Amounts Recorded Through Purchase Price Accounting	Amounts Applied 2001	Balance December 31, 2001
Severance	$ 5,270	$ 11,929	$ (1,850)	$ 15,349
Lease/contract terminations	1,682	1,071	(563)	2,190
Other restructuring costs	897	1,062	-	1,959
Fixed asset impairment charges	3,634	-	(3,634)	-
Intangible asset impairment charges	6,291	-	(6,291)	-
	$ 17,774	$ 14,062	$ (12,338)	$ 19,498

During the fourth quarter, of 2000 the Company recorded a settlement of $2.8 million related to a claim against the German government in connection with the confiscation and subsequent sale of a property formally owned by the Company in Berlin, Germany.

In the fourth quarter of 2000, the Company recorded a charge of $2.7 million related to the reorganization of its French and Latin American businesses. The primary focus of the reorganization was the consolidation of operations in these regions in order to eliminate duplicative functions. The Company anticipates that this plan will increase operational efficiencies and contribute to future earnings. Included in this charge were severance costs of $2.3 million and other costs of $0.4 million. The restructuring will result in the elimination of approximately 40 administrative positions, mainly in France. At December 31, 2001, approximately 5 of these positions remain to be eliminated. The Company anticipates that most aspects of this plan will be completed by the first quarter of 2002. The major components of this restructuring charge and the remaining outstanding balances follow:

	2000 Provision	Amounts Applied 2000	Amounts Applied 2001	Balance December 31, 2001
		(in thousands)		
Severance	$ 2,299	$ (611)	$ (825)	$ 863
Other restructuring costs	403	-	(403)	-
	$ 2,702	$ (611)	$ (1,228)	$ 863

In the second quarter of 1998, the Company rationalized and restructured the Company's worldwide laboratory business, primarily for the closure of the Company's German tooth manufacturing facility. All major aspects of the plan were completed in 1999, except for the disposition of the property and plant located in Dreieich, Germany, which has been written-down to its estimated fair value, but which has not been sold as of December 31, 2001. The Company continues active efforts to sell this idle property.

NOTE 14 - FINANCIAL INSTRUMENTS AND DERIVATIVES

Fair Value of Financial Instruments

The fair value of financial instruments is determined by reference to various market data and other valuation techniques as appropriate. The Company believes the carrying amounts of cash and cash equivalents, accounts receivable (net of allowance for doubtful accounts), prepaid expenses and other current assets, accounts payable, accrued liabilities, income taxes payable and notes payable approximate fair value due to the short-term nature of these instruments. The Company estimates the fair value of its long-term debt was $720.6 million versus its carrying value of $723.5 million as of December 31, 2001. The fair value was relatively similar to the carrying value since the fixed rate Eurobonds were effectively converted to variable rate as a result of an interest rate swap and the interest rates on revolving debt and commercial paper are variable and reflect current market rates. In addition, the face value of the Japanese yen private placement note approximates fair value as its issue date was December 28, 2001. The fixed rate Swiss franc denominated notes were the only debt instruments where the fair values were lower than the carrying values due to higher Swiss rates at December 31, 2001 versus the rates at issuance of the notes.

Adoption of SFAS 133

Statement of Financial Accounting Standards No. 133 ("SFAS 133"), "Accounting for Derivative Instruments and Hedging Activities," was issued by the Financial Accounting Standards Board (FASB) in June 1998. This statement establishes accounting and reporting standards for derivative instruments, including certain derivative instruments embedded in other contracts, and for hedging activities. It requires recognition of all derivatives as either assets or liabilities on the balance sheet and measurement of those instruments at fair value. This statement, as amended, was adopted effective January 1, 2001, and as required, the Company recognized a cumulative adjustment for the change in accounting principle. This adjustment increased other current liabilities by $1.1 million and resulted in a cumulative loss, reflected in current earnings of $0.3 million ($0.2 million, net of tax), and a reduction in other comprehensive income of $0.8 million ($0.5 million, net of tax). The cumulative loss on adoption of SFAS 133 recognized in the income statement was recorded in "Other (income) expense, net" and was considered immaterial for presentation as a cumulative effect of a change in accounting principle.

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 potentially adverse effects that these market risks may have on the Company's operating results.

A portion of the Company's borrowings and certain inventory purchases are denominated in foreign currencies which exposes the Company to market risk associated with 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 creates exposures to changes in exchange rates. The Company uses debt denominated in the applicable foreign currency as a means of hedging some of this risk.

With the Company's significant level of long-term debt, 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 a significant volume of commodities with potentially volatile prices. In order to limit the unanticipated earnings fluctuations from such volatility in commodity prices, the Company selectively enters into commodity price swaps to convert variable raw material costs to fixed costs.

Cash Flow Hedges

The Company uses interest rate swaps to convert a portion of its variable rate debt to fixed rate debt. In January 2000, the Company entered into an interest rate swap agreement with notional amounts totaling 50 million Swiss francs which converts a portion of the Company's variable rate Swiss franc financing to a fixed rate of 3.4% for a period of three years. In February 2001, the Company entered into interest rate swap agreements with notional amounts totaling 130 million Swiss francs which converts a portion of the Company's variable rate financing to an average fixed rate of 3.3% for an average period of four years. In addition, the Company's Japanese subsidiary acquired in the Degussa Dental transaction, has an interest rate swap agreement with notional amounts totaling 70 million Japanese yen which converts a portion of its variable rate Japanese yen financing to a fixed rate of 2.9% through December 2002.

The Company selectively enters into commodity price swaps to convert variable raw material costs to fixed. In August 2000, the Company entered into a commodity price swap agreement with notional amounts totaling 270,000 troy ounces of silver bullion throughout calendar year 2001. The average fixed rate of this agreement was $5.10 per troy ounce. In November 2001, the Company entered into a commodity price swap agreement with notional amounts totaling 270,000 troy ounces of silver bullion throughout calendar year 2002. The average fixed rate of this agreement is $4.20 per troy ounce. The Company generally hedges between 33% and 67% of its projected annual silver needs.

For the year ended December 31, 2001, the Company recognized a net loss of $0.4 million in "Other expense (income), net", which represented the total ineffectiveness of all cash flow hedges.

As of December 31, 2001, $0.1 million of deferred net losses on derivative instruments recorded in accumulated other comprehensive income are expected to be reclassified to current earnings during the next twelve months. Transactions and events that are expected to occur over the next twelve months that will necessitate such a reclassification include: the sale of inventory that includes previously hedged purchases of silver and the amortization of a portion of the net deferred loss on interest rate swaps terminated as part of a swap restructuring in February 2001, which is being amortized over the remaining term of the underlying loan being hedged. The maximum term over which the Company is hedging exposures to variability of cash flows (for all forecasted transactions, excluding interest payments on variable-rate debt) is eighteen months.

Fair Value Hedges

The Company also uses interest rate swaps to convert a portion of its fixed rate debt to variable rate debt. In addition cross currency basis swaps are used to convert debt denominated in one currency to another currency. In December 2001, the Company completed two integrated transactions where it entered into an interest rate swap agreement with notional amounts totalling Euro 350 million which converted its 5.75% coupon, fixed rate Eurobond financing into variable rate Euro denominated financing and it then entered into a cross currency basis swap which converted this variable based Euro denominated financing to variable based U.S. dollar financing at a current rate of 3.2%.

Hedges of Net Investments in Foreign Operations

The Company has numerous investments in foreign subsidiaries. The net assets of these subsidiaries are exposed to the volatility in currency exchange rates. Currently, the Company uses non-derivative financial instruments (debt at the parent company level) to hedge some of this exposure. The translation gains and losses related to the net assets of the foreign subsidiaries are offset by gains and losses in the parent company's debt obligations. At December 31, 2001, the Company had Swiss franc denominated and Japenese yen denominated debt (at the parent company level) to hedge the currency exposure related to the net assets of its Swiss and Japanese subsidiaries.

For the year ended December 31, 2001, $10.9 million of net gains related to this foreign currency denominated debt were included in the Company's foreign currency translation adjustment.

Other

As of December 31, 2001, the Company had recorded the fair value of derivative instrument assets of $2.7 million in "Prepaid expenses and other current assets" and $0.3 million in "Other noncurrent assets" on the balance sheet. The Company recorded the fair value of derivative instrument liabilities of $1.4 million in "Accounts payable" and $14.1 million in "Other noncurrent liabilities" on the balance sheet.

In accordance with SFAS 52, "Foreign Currency Translation", the Company utilizes long-term intercompany loans to eliminate foreign currency transaction exposures of certain foreign subsidiaries. Net gains or losses related to these long-term intercompany loans, those for which settlement is not planned or anticipated in the foreseeable future, are included in the Company's foreign currency translation adjustment.

Precious Metal Lease Agreement

As of December 31, 2001, the Company leased $59.6 million of precious metals. Under this arrangement the Company leases fixed quantities of precious metals which are used in producing alloys and pays a lease rate (a percent of the value of the leased inventory) to the lessor. These precious metal leases are accounted for as operating leases and the lease fee is recorded as cost of goods sold. The terms of the leases are less than one year, and the average lease rate at December 31, 2001 was 2.5%. The Company's objective for using these operating lease arrangements to supply its precious metals needs is to free up working capital and smooth the effects of commodity price volatility.

NOTE 15 - COMMITMENTS AND CONTINGENCIES

Leases

The Company leases automobiles and certain office, warehouse, machinery and equipment and manufacturing facilities under non-cancelable operating leases. These leases generally require the Company to pay insurance, property taxes and other expenses related to the leased property. Total rental expense for all operating leases was $13.0 million for 2001, $10.5 million for 2000, and $10.3 million for 1999.

Rental commitments, principally for real estate (exclusive of taxes, insurance and maintenance), automobiles and office equipment amount to: $12.8 million for 2002, $9.6 million for 2003, $6.7 million for 2004, $4.0 million for 2005, $3.4 million for 2006, and $13.2 million thereafter.

Litigation

DENTSPLY and its subsidiaries are from time to time parties to lawsuits arising out of their respective operations. The Company believes that pending litigation to which DENTSPLY is a party will not have a material adverse effect upon its consolidated financial position or results of operations.

In June 1995, the Antitrust Division of the United States Department of Justice initiated an antitrust investigation regarding the policies and conduct undertaken by the Company's Trubyte Division with respect to the distribution of artificial teeth and related products. 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 violate the antitrust laws and seeking an order for the Company to discontinue its practices. Three follow on private class action suits on behalf of dentists, laboratories and denture patients in seventeen states, respectively, who purchased Trubyte teeth or products containing Trubyte teeth, were filed and transferred to the U.S. District Court in Wilmington, Delaware. The class action filed on behalf of the dentists has been dismissed by the plaintiffs. The private party suits seek damages in an unspecified amount. The Company filed motions for summary judgment in all of the above cases, which were argued to the court in December 2000. The Court denied the Company's motion for summary judgment regarding the Department of Justice action, granted the motion on the lack of standing of the patient class action and granted the motion on the lack of standing of the laboratory class action to pursue damage claims. In an attempt to avoid the effect of the Court's ruling, the attorneys for the laboratory class action filed a new complaint naming DENTSPLY and its dealers as co-conspirators with respect to DENTSPLY's distribution policy. The Company filed a motion to dismiss this re-filed complaint. The Court again granted DENTSPLY's motion on the lack of standing of the laboratory class action to pursue damage claims. The attorneys for the patient class have also filed a new action to avoid the effect of the Court's ruling. This action is filed in the U.S. District Court in Delaware. Four private party class actions on behalf of indirect purchasers were filed in California state court. These cases are based on allegations similar to those in the Department of Justice case. In response to the Company's motion, these cases have been consolidated in one Judicial District in Los Angeles. It is the Company's position that the conduct and activities of the Trubyte division do not violate the antitrust laws.

Other

The Company has no material non-cancelable purchase commitments.

The Company has employment agreements with its executive officers. These agreements generally provide for salary continuation for a specified number of months under certain circumstances. If all of the employees under contract were to be terminated by the Company without cause (as defined), the Company's liability would be approximately $10.1 million at December 31, 2001.

NOTE 16 - SUBSEQUENT EVENTS

On December 12, 2001, the Board of Directors approved a three-for-two split of the Company's common stock. The stock split was effective Jaunuary 31, 2002.

The effect of the stock split has been recognized retroactively in the stockholders' equity accounts on the balance sheets as of December 31, 2001 and in all share and per share data in the accompanying financial statements and notes to financial statements. Stockholders' equity accounts have been restated to reflect the reclassification of an amount equal to the par value of the increase in issued common shares from the capital in excess of par to the common stock account.

NOTE 17 - QUARTERLY FINANCIAL INFORMATION (UNAUDITED)

	First Quarter	Second Quarter	Third Quarter	Fourth Quarter	Total Year
	(in thousands, except per share amounts)				
2001					
Net sales	$ 245,669	$ 254,635	$ 253,501	$ 375,289	$1,129,094
Gross profit	129,814	133,727	132,385	173,745	569,671
Operating income	34,921	44,336	44,410	54,696	178,363
Net income	34,326	27,404	25,919	33,847	121,496
Earnings per common share-basic	$ 0.44	$ 0.36	$ 0.33	$ 0.43	$ 1.56
Earnings per common share-diluted	0.44	0.34	0.33	0.43	1.54
Cash dividends declared per common share	0.04583	0.04583	0.04583	0.04584	0.18333
2000					
Net sales	$ 213,956	$ 224,788	$ 216,699	$ 234,353	$ 889,796
Gross profit	110,475	118,431	112,260	122,428	463,594
Operating income	36,740	39,731	38,137	49,308	163,916
Net income	22,193	24,627	23,335	30,861	101,016
Earnings per common share-basic	$ 0.28	$ 0.32	$ 0.30	$ 0.40	$ 1.30
Earnings per common share-diluted	0.28	0.32	0.29	0.40	1.29
Cash dividends declared per common share	0.04167	0.04167	0.04167	0.04582	0.17083

Supplemental Stock Information

The common stock of the Company is traded on the NASDAQ National Market under the symbol "XRAY". The following table sets forth high, low and closing sale prices of the Company's common stock for the periods indicated as reported on the NASDAQ National Market:

Market Range of Common Stock

	High	Low	Period-end Closing Price	Cash Dividend Declared
2001				
First Quarter	$ 26.67	$ 21.67	$ 24.33	$0.04583
Second Quarter	31.07	23.33	29.57	0.04583
Third Quarter	31.63	26.01	30.63	0.04583
Fourth Quarter	34.69	28.62	33.47	0.04584
2000				
First Quarter	$ 19.25	$ 15.42	$ 18.92	$0.04167
Second Quarter	21.75	16.75	20.54	0.04167
Third Quarter	24.92	19.67	23.29	0.04167
Fourth Quarter	28.92	20.59	26.08	0.04582
1999				
First Quarter	$ 18.33	$ 14.29	$ 15.50	$0.03750
Second Quarter	19.42	14.21	19.25	0.03750
Third Quarter	19.54	13.67	15.17	0.03750
Fourth Quarter	16.50	13.96	15.75	0.04167

All amounts reflect the 3-for-2 stock split effective January 31, 2002.

The Company estimates, based on information supplied by its transfer agent, that there are approximately 26,500 holders of common stock, including 456 holders of record.

EXHIBIT 21.1

Subsidiaries of the Company

I. Direct Subsidiaries of the Company

A. Ceramco Inc. (Delaware)

B. Ceramco Manufacturing Co. (Delaware)

C. CeraMed Dental, L.L.C. (Delaware)

D. Dentsply Argentina S.A.C.e.I. (Argentina)

E Dentsply Dental (Tianjin) Co. Ltd. (China)

F. DENTSPLY Finance Co. (Delaware)
a) Dentsply International, Inc. (Chile) Limitada (Chile)

G. Dentsply India Pvt. Ltd. (India)

H. Dentsply Industria e Comercio Ltda. (Brazil)

I. Dentsply Japan Limited, L.L.C. (Japan)

J. Dentsply (Philippines) Inc. (Philippines)

K. Dentsply Research & Development Corp. ("Dentsply R&D")
(Delaware)

L. Dentsply (Thailand) Ltd. (Thailand)

M. DeTrey do Brasil Industria e Comercio Ltda. (Brazil)

N. Dentsply Tianjin International Trading Co. Ltd. (China)

O. GAC International Inc. (New York)
a) Old Country Road Sales Consultants, Inc.
b) Orthodental International, Inc.
c) Orthodental S.A. de C.V. (Mexico)

P. Austenal, Inc. (Illinois)
a) Lab. Des Produits Dentaires Odoncia S.A. (France)
b) Austenal GmbH (Germany)

Q. Dentsply Mexico S.A. de C.V. (Mexico)

R. ESP, LLC (Delaware)

S. Ceramco Europe Limited (Cayman Islands)
a) Ceramco UK Limited (Dormant)

T. DENTSPLY North America Inc. (Delaware)

II. Indirect Subsidiaries of the Company

A. Subsidiaries of Dentsply Research & Development Corp.

1. Dentsply SE Limited (Gibraltar)
a) Dentsply A.G. (Switzerland)

2. Dentsply EU S.a.r.L (Luxembourg)

3. Dentsply Australia Pty. Ltd. (Australia (Victoria))
a) Dentsply (NZ) Limited (New Zealand)

4. Dentsply Canada Ltd. (Canada (Ontario))

5. Dentsply Export Sales Corporation (Barbados)

6. PT Dentsply Indonesia (Indonesia)

7. The International Tooth Co. Limited (United Kingdom)

8. Ransom & Randolph Company (Delaware)

9. Tulsa Dental Products Inc. (Delaware)
a) Tulsa Finance Co. (Delaware)
b) Tulsa Manufacturing Inc. (Delaware)

10. Dentsply Espana SL (Spain)

11. Friadent North America, Inc. (California)

12. Sankin Kogyo K.K. (Japan)
a) Sankin Laboratories K.K. (Japan)

13. Degussa Dental Ltda. (Brazil)
a) Degussa Dental da Amazonia Ltda. (Brazil)
b) Degpar Participacoes e Empreendimentos S.A.(Brazil)
c) Problem Laboratorio de Produtos Farmaceuticos e

Odontonlogicos S.A. (Brazil)

B. Subsidiaries Dentsply EU S.a.r.L.
1. Dentsply Germany Holdings GmbH (Germany)
a) VDW GmbH (Germany)
b) RoyDent, Inc.(Michigan)
c) Dentsply DeTrey GmbH (Germany)
d) Friadent GmbH (Germany)
i) Friadent Brasil Ltda. (Brazil)
ii) Friadent Denmark ApS (Denmark)
iii) Friadent France Sarl (France)
iv) Friadent N.V. (Belgium)
v) Friadent Scandinavia AB(Sweden)
vi) Friadent Schweiz AG (Switzerland)
e) Degussa Dental GmbH (Germany)
i) Bios Dental GmbH (Germany)
ii) Ducera Dental Verwaltungs-ges.m.b.H.(Germany)
f) Elephant Dental GmbH (Germany)

2. Dentsply Capital Ltd. (U.K.)

3. Dentsply Capital II Ltd. (U.K.)
   a) Dentsply DeTrey Sarl. (Switzerland)
   d) Maillefer Instruments Holding S.A.(Switzerland)
      i) Maillefer Instruments Trading Sarl (Switzerland)
      ii) Maillefer Instruments Consulting Sarl (Switzerland)
      iii) Maillefer Instruments Manufacturing Sarl (Switzerland)
      iv) Maillefer Plastiques Sarl (Switzerland)

4. Elephant Dental B.V. (Netherlands)
   a) Cicero Dental Systems B.V. (Netherlands)
   b) Degussa Dental Benelux B.V. (Netherlands)
   c) Elephant Danmark ApS (Denmark)
   d) Dental Trust B.V. (Netherlands)

5. Degussa Dental Austria GmbH (Austria)

6. Dentsply Limited (Cayman Islands)
   a) Dentsply Holdings Unlimited (U.K.)
   b) Dentsply Russia Limited (U.K.)
   c) Amalco Holdings Ltd (U.K., Dormant)
   d) Keith Wilson Limited (U.K., Dormant)
   e) Oral Topics Limited (U.K., Dormant)
   f) AD Engineering Limited (Dormant)

7. Dentsply Italia SrL (Italy)

8. Dentsply France S.A.S. (France)

9. Dentsply South Africa (Pty) Limited (South Africa)

EXHIBIT 23.1

Consent of Independent Accountants

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (Nos. 33-41775, 33-52616, 33-71792, 33-79094, 33-89786, and 333-56093) and Registration Statement on Form S-3 (No. 333-76089) of DENTSPLY International Inc. of our report dated January 21, 2002, except for Note 16, as to which the date is January 31, 2002 relating to the financial statements, which appears in the Annual Report to Shareholders, which is incorporated in this Annual Report on Form 10-K. We also consent to the incorporation by reference of our report dated March 28, 2002 relating to the financial statement schedule, which appears in this Form 10-K.

PricewaterhouseCoopers LLP

Philadelphia, PA
March 28, 2002

EXHIBIT 23.2

Consent of Independent Auditors

The Board of Directors
DENTSPLY International Inc.:

We consent to incorporation by reference in the registration statements (Nos. 333-56093, 33-52616, 33-41775, 33-71792, 33-79094, and 33-89786) on Form S-8 and registration statement No. 333-76089 on Form S-3 of DENTSPLY International Inc. of our report dated January 20, 2000, relating to the consolidated statements of income, stockholders' equity, and cash flows of DENTSPLY International Inc. and subsidiaries and related schedule for the year ended December 31, 1999, which report appears in the December 31, 2001 annual report on Form 10-K of DENTSPLY International Inc.

KPMG LLP

Philadelphia, Pennsylvania
March 28, 2002

EXHIBIT 99.1

Independent Auditors' Report

The Board of Directors and Stockholders
DENTSPLY International Inc.:

We have audited the accompanying consolidated statements of income, stockholders' equity, and cash flows of DENTSPLY International Inc. and subsidiaries for the year ended December 31, 1999. In connection with our audit of the consolidated financial statements, we also have audited the financial statement schedule for the year ended December 31, 1999. These consolidated financial statements and financial statement schedule are the responsibility of the Company's management. Our responsibility is to express an opinion on these consolidated financial statements and financial statement schedule based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the results of operations and cash flows of DENTSPLY International Inc. for the year ended December 31, 1999, in conformity with generally accepted accounting principles. Also in our opinion, the related financial statement schedule, when considered in relation to the basic consolidated financial statements taken as a whole, presents fairly, in all material respects, the information set forth therein.

KPMG LLP

Philadelphia, Pennsylvania
January 20, 2000