DENTSPLY INTERNATIONAL INC /DE/
Form 10-Q
July 30, 2008
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(X) QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE

SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2008

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	(I.R.S. Employer

incorporation or organization) Identification No.)

221 West Philadelphia Street, York, PA 17405-0872

(Address of principal executive offices) (Zip Code)

(717) 845-7511

(Registrant’s telephone number, including area code)

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

Yes X No

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

Yes X No

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

Large accelerated filer X Accelerated filer Non-accelerated filer Smaller reporting company

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

Yes No X

Indicate the number of shares outstanding of each of the issuer’s classes of common stock, as of the latest practicable date: At July 29, 2008, DENTSPLY International Inc. (the “Company”) had 148,659,688 shares of Common Stock outstanding, with a par value of $.01 per share.

DENTSPLY International Inc.

FORM 10-Q

For Quarter Ended June 30, 2008

INDEX

Page No.

PART I - FINANCIAL INFORMATION

Item 1 - Financial Statements (unaudited)

PART II - OTHER INFORMATION

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in thousands, except per share amounts)			
Net sales	$ 594,847	$ 507,362	$ 1,155,629	$ 980,226
Cost of products sold	279,361	238,578	554,900	465,164
Gross profit	315,486	268,784	600,729	515,062
Selling, general and administrative expenses	200,867	172,084	384,869	336,161
Restructuring and other costs (Note 9)	1,458	3,207	1,662	4,197
Operating income	113,161	93,493	214,198	174,704
Other income and expenses:				
Interest expense	7,901	5,209	16,153	9,665
Interest income	(4,685)	(6,995)	(9,895)	(13,496)
Other (income) expense, net	-	(347)	3,097	(557)
Income before income taxes	109,945	95,626	204,843	179,092
Provision for income taxes	31,297	30,193	58,015	55,187
Net income	$ 78,648	$ 65,433	$ 146,828	$ 123,905
Earnings per common share (Note 4):				
-Basic	$ 0.53	$ 0.43	$ 0.98	$ 0.82
-Diluted	$ 0.52	$ 0.42	$ 0.96	$ 0.80
Cash dividends declared per common share	$ 0.045	$ 0.040	$ 0.090	$ 0.080
Weighted average common shares outstanding (Note 4):				
-Basic	148,851	152,000	149,394	152,016
-Diluted	151,790	154,873	152,371	154,723

See accompanying notes to Unaudited Interim Consolidated Condensed Financial Statements.

DENTSPLY INTERNATIONAL INC. AND SUBSIDIARIES CONSOLIDATED CONDENSED BALANCE SHEETS

(unaudited)

	June 30, 2008	December 31, 2007
Assets	(in thousands)	
Current Assets:		
Cash and cash equivalents	$113,454	$169,384
Short-term investments	309,797	146,939
Accounts and notes receivable-trade, net (Note 1)	371,489	307,622
Inventories, net (Note 7)	282,795	258,032
Prepaid expenses and other current assets	104,552	100,045
Total Current Assets	1,182,087	982,022
Property, plant and equipment, net	405,603	371,409
Identifiable intangible assets, net	76,347	76,167
Goodwill, net	1,178,627	1,127,420
Other noncurrent assets, net	150,544	118,551
Total Assets	$2,993,208	$2,675,569
Liabilities and Stockholders' Equity		
Current Liabilities:		
Accounts payable	$94,413	$82,321
Accrued liabilities	195,043	189,405
Income taxes payable	31,251	39,441
Notes payable and current portion of long-term debt	4,854	1,244
Total Current Liabilities	325,561	312,411
Long-term debt	576,649	482,063
Deferred income taxes	69,727	60,547
Other noncurrent liabilities	411,744	304,146
Total Liabilities	1,383,681	1,159,167
Minority interests in consolidated subsidiaries	337	296
Commitments and contingencies (Note 13)		
Stockholders' Equity:		
Preferred stock, $.01 par value; .25 million shares authorized; no shares issued	-	-
Common stock, $.01 par value; 200 million shares authorized; 162.8 million shares issued at June 30, 2008 and December 31, 2007	1,628	1,628
Capital in excess of par value	180,196	173,084
Retained earnings	1,716,083	1,582,683
Accumulated other comprehensive income (Note 3)	184,615	145,819

Treasury stock, at cost, 14.0 million shares at June 30, 2008 and 12.0 million shares at December 31, 2007	(473,332)	(387,108)
Total Stockholders' Equity	1,609,190	1,516,106
Total Liabilities and Stockholders' Equity	$2,993,208	$2,675,569

See accompanying notes to Unaudited Interim Consolidated Condensed Financial Statements.

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

	Six Months Ended June 30,	
	2008	2007
	(in thousands)	
Cash flows from operating activities:		
Net income	$ 146,828	$123,905
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	23,943	21,505
Amortization	4,363	3,847
Deferred income taxes	18,542	17,346
Share-based compensation expense	8,404	7,124
Restructuring and other costs	1,662	4,197
Stock option income tax benefit	(2,008)	(3,659)
Changes in operating assets and liabilities, net of acquisitions:		
Accounts and notes receivable-trade, net	(49,711)	(25,988)
Inventories, net	(10,283)	(11,453)
Prepaid expenses and other current assets	(5,314)	(5,422)
Accounts payable	9,179	5,573
Accrued liabilities	(597)	(8,851)
Income tax payable	(9,754)	25,132
Other, net	3771	1,818
Net cash provided by operating activities	139,025	155,074
Cash flows from investing activities:		
Capital expenditures	(36,574)	(21,159)
Cash paid for acquisitions of businesses and equity investment	(2,415)	(26,223)
Purchases of short-term investments	(147,434)	(109,233)
Liquidation of short-term investments	12	67
Expenditures for identifiable intangible assets	(2,191)	(3,003)
Proceeds from sale of property, plant and equipment, net	799	236
Net cash used in investing activities	(187,803)	(159,315)
Cash flows from financing activities:		
Net change in short-term borrowings	3,488	1,636
Cash paid for treasury stock	(95,467)	(44,222)
Cash dividends paid	(13,517)	(12,976)
Proceeds from long-term borrowings	77,799	149,548
Payments on long-term borrowings	-	(117,161)
Proceeds from exercise of stock options	5,741	26,312
Excess tax benefits from share-based compensation	2,008	3,659
Net provided (used in) by cash financing activities	(19,948)	6,796
Effect of exchange rate changes on cash and cash equivalents	12,796	1,814
Net (decrease) increase in cash and cash equivalents	(55,930)	4,369
Cash and cash equivalents at beginning of period	169,384	65,064
Cash and cash equivalents at end of period	$ 113,454	$ 69,433

See accompanying notes to Unaudited Interim Consolidated Condensed Financial Statements.

DENTSPLY International Inc.

NOTES TO UNAUDITED INTERIM CONSOLIDATED CONDENSED FINANCIAL STATEMENTS

June 30, 2008

The accompanying Unaudited Interim Consolidated Condensed Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP") for interim financial statements and the instructions to Form 10-Q and Rule 10-01 of Regulation S-X. The year-end condensed balance sheet data was derived from audited financial statements, but does not include all disclosures required by accounting principles generally accepted in the United States of America. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement of the results for interim periods have been included. Results for interim periods should not be considered indicative of results for a full year. These financial statements should be read in conjunction with the Consolidated Financial Statements and Notes thereto included in the Company's most recent Form 10-K filed February 25, 2008.

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of DENTSPLY International Inc., as applied in the consolidated interim financial statements presented herein, are substantially the same as presented on pages 51 through 56 of the Annual Report on Form 10-K for the fiscal year ended December 31, 2007, except as indicated below:

Accounts and Notes Receivable-Trade

Accounts and notes receivables - trade are stated net of allowances for doubtful accounts and trade discounts, which were $18.7 million and $18.9 million at June 30, 2008 and December 31, 2007, respectively.

Fair Value Measurement

In September 2006, the Financial Accounting Standards Board (the "FASB") issued Statement of Financial Accounting Standards No. 157 ("SFAS 157"), "Fair Value Measurements," which requires the Company to define fair value, establish a framework for measuring fair value in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"), and expand disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements. SFAS 157 is effective for financial statements issued for fiscal years beginning after November 15, 2007, and interim periods within those fiscal years.

On February 12, 2008, the FASB issued FASB Staff Position No. SFAS 157-2, “Effective Date of FASB Statement No. 157,” which amends SFAS 157 by delaying its effective date by one year for non-financial assets and non-financial liabilities, except for items that are recognized or disclosed at fair value in the financial statements on a recurring basis. Therefore, beginning on January 1, 2008, this standard applies prospectively to new fair value measurements of financial instruments and recurring fair value measurements of non-financial assets and non-financial liabilities. On January 1, 2009, the standard will also apply to all other fair value measurements. The Company has adopted SFAS 157 and has presented the required disclosures in Note 12, Fair Value Measurement.

Fair Value Option

In February 2006, the FASB issued Statement of Financial Accounting Standards No. 159 (“SFAS 159”), “The Fair Value Option for Financial Assets and Financial Liabilities.” SFAS 159 permits entities to choose to measure financial instruments and certain other items at fair value that are not currently required to be measured at fair value. This will allow entities the opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently. SFAS 159 is effective for financial statements issued for fiscal years ending after November 15, 2007. While SFAS 159 became effective for the Company’s 2008 fiscal year, the Company did not elect the fair value measurement option for any of the Company’s financial assets or liabilities not already recorded at fair value.

New Accounting Pronouncements

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 141(R) (“SFAS 141(R)”), “Business Combinations.” It requires the acquiring entity in a business combination to recognize all assets acquired and liabilities assumed in the transaction, establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed, and requires the acquirer to disclose the nature and financial effect of the business combination. SFAS 141(R) is effective for fiscal years beginning after December 15, 2008. The Company will adopt SFAS 141(R) in the first quarter of fiscal year 2009 and is currently evaluating the impact the adoption will have on the Company’s financial statements.

In December 2007, the FASB issued Statement of Financial Accounting Standards No. 160 (“SFAS 160”), “Noncontrolling Interests in Consolidated Financial Statements.” This statement amends Accounting Research Bulletin No. 51, “Consolidated Financial Statements,” to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. SFAS 160 is effective for fiscal years beginning after December 15, 2008. The Company will adopt SFAS 160 in the first quarter of fiscal year 2009 and is currently evaluating the impact the adoption will have on the Company’s financial statements.

In March 2008, the FASB issued Statement of Financial Accounting Standards No. 161 (“SFAS 161”), ”Disclosures about Derivative Instruments and Hedging Activities.” SFAS 161 is effective for fiscal years beginning after December 15, 2008. This statement amends and expands the disclosure requirements of SFAS 133, “Accounting for Derivative Instruments and Hedging.” The Company will adopt SFAS 161 in the first quarter of fiscal year 2009 and is currently evaluating the impact the adoption will have on the Company’s financial statements.

In May 2008, the FASB issued Statement of Financial Accounting Standards No. 162 (“SFAS 162”), ”The Hierarchy of Generally Accepted Accounting Principles.” This statement identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles.

NOTE 2 – STOCK COMPENSATION

The Company maintains the 2002 Equity Incentive Plan (the “Plan”) under which it may grant non-qualified stock options, incentive stock options, restricted stock, restricted stock units (“RSU”) and stock appreciation rights, collectively referred to as “Awards.” Awards are granted at exercise prices that approximate the fair market value of the common stock on the grant date. The Plan authorized grants of 14,000,000 shares of common stock, plus any unexercised portion of cancelled or terminated stock options granted under the DENTSPLY International Inc. 1993 and 1998 Plans, subject to adjustment as follows: each January, if 7% of the total outstanding common shares of the Company exceed 14,000,000, the excess becomes available for grant under the Plan. No more than 2,000,000 shares may be awarded as restricted stock and restricted stock units, and no key employee may be granted restricted stock units in excess of 150,000 shares of common stock in any calendar year.

Stock options generally expire ten years after the date of grant under these plans and grants become exercisable over a period of three years after the date of grant at the rate of one-third per year, except when they become immediately exercisable upon death, disability or qualified retirement. Restricted stock units vest 100% on the third anniversary of the date of grant and are subject to a service condition, which requires grantees to remain employed by the Company during the three year period following the date of grant. In addition to the service condition, certain key executives are subject to performance requirements. It is the Company’s practice to issue shares from treasury stock when options are exercised.

Under SFAS 123(R), the Company continues to use the Black-Scholes option-pricing model to estimate the fair value of each award. The assumptions used to calculate the fair value of the awards granted are evaluated and revised, as necessary, to reflect market conditions and the Company’s experience.

The following table represents total stock based compensation expense and the tax related benefit for the three and six months ended June 30, 2008 and 2007:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in millions)			
Stock option expense	$ 2.9	$ 3.1	$ 5.7	$ 6.2
RSU expense	1.1	0.5	2.1	0.8
Total stock based compensation expense	$ 4.0	$ 3.6	$ 7.8	$ 7.0
Total related tax benefit	$ 0.7	$ 0.9	$ 1.8	$ 1.8

The remaining unamortized compensation cost related to non-qualified stock options is $16.7 million, which will be expensed over the weighted average remaining vesting period of the options, or 1.3 years. The unamortized compensation cost related to RSUs is $9.6 million, which will be expensed over the remaining restricted period of the RSUs, or 2.1 years.

The following table summarizes the non-qualified stock options transactions from December 31, 2007 through June 30, 2008:

	Outstanding			Exercisable		
	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value	Shares	Weighted Average Exercise Price	Aggregate Intrinsic Value
	(in thousands, except per share data)					
December 31, 2007	10,314	$ 26.41	$ 192,333	7,378	$ 22.46	$ 166,664
Granted	92	39.64				
Exercised	(298)	19.29				
Forfeited	(101)	34.16				
June 30, 2008	10,007	$ 26.66	$ 114,801	7,234	$ 22.76	$ 104,346

The weighted average remaining contractual term of all outstanding options is 6.1 years and the weighted average remaining contractual term of exercisable options is 5.1 years.

The following table summarizes the unvested restricted stock units and restricted stock units dividend transactions from December 31, 2007 through June 30, 2008:

	Unvested Restricted Stock Units	
	Shares	Weighted Average Grant Date Fair Value
	(in thousands, except per share data)	
Unvested at December 31, 2007	211	$ 30.99
Granted	211	41.12
Exercised	(1)	30.80
Vested	(3)	42.10
Forfeited	(11)	34.57
Unvested at June 30, 2008	407	$ 36.08

NOTE 3 – COMPREHENSIVE INCOME

The components of comprehensive income, net of tax, are as follows:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in millions)			
Net Income	$ 78,648	$ 65,433	$ 146,828	$ 123,905
Other comprehensive income:				
Foreign currency translation adjustments	(2,852)	14,168	97,847	27,536
Unrealized loss on available-for-sale securities	-	(41)	-	(138)
Amortization of unrecognized losses and prior year service cost, net	208	150	(119)	401
Change in assumptions for the Company's benefit plans	3,713	-	3,713	-
Net gain (loss) on derivative financial instruments	16,167	(163)	(62,645)	(5,855)
Total comprehensive income	$ 95,884	$ 79,547	$ 185,624	$ 145,849

During the quarter ended June 30, 2008, foreign currency translation adjustments included currency translation losses of $8.8 million and gains of $5.9 million on the Company's loans designated as hedges of net investments. During the quarter ended June 30, 2007, foreign currency translation adjustments included currency translation gains of $10.1 million and gains of $4.1 million on the Company's loans designated as hedges of net investments. During the six months ended June 30, 2008, foreign currency translation adjustments included currency translation gains of $108.1 million and losses of $10.3 million on the Company's loans designated as hedges of net investments. During the six months ended June 30, 2007, foreign currency translation adjustments included currency translation gains of $24.7 million and gains of $2.8 million on the Company's loans designated as hedges of net investments. These foreign currency translation adjustments were offset by net gains and losses on derivatives financial instruments, which are discussed in Note 10, Financial Instruments and Derivatives.

The balances included in accumulated other comprehensive income in the consolidated balance sheets are as follows:

	June 30, 2008	December 31, 2007
	(in thousands)	
Foreign currency translation adjustments	$ 338,918	$ 241,071
Unrecognized losses and prior service cost, net	(5,804)	(9,398)
Net loss on derivative financial instruments	(148,499)	(85,854)
	$ 184,615	$ 145,819

The cumulative foreign currency translation adjustments included translation gains of $439.2 million and $331.1 million as of June 30, 2008 and December 31, 2007, respectively, offset by losses of $100.3 million and $90.0 million, respectively, on loans designated as hedges of net investments. These foreign currency translation adjustments were offset by net losses on derivative financial instruments, which are discussed in Note 10, Financial Instruments and Derivatives.

NOTE 4 - EARNINGS PER COMMON SHARE

The dilutive effect of outstanding options and restricted stock is reflected in diluted earnings per share by application of the treasury stock method. The following table sets forth the computation of basic and diluted earnings per common share:

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in thousands, except per share amounts)			
Basic Earnings Per Common Share Computation				
Net income	$ 78,648	$ 65,433	$ 146,828	$ 123,905
Common shares outstanding	148,851	152,000	149,394	152,016
Earnings per common share - basic	$ 0.53	$ 0.43	$ 0.98	$ 0.82
Diluted Earnings Per Common Share Computation				
Net income	$ 78,648	$ 65,433	$ 146,828	$ 123,905
Common shares outstanding	148,851	152,000	149,394	152,016
Incremental shares from assumed exercise of dilutive options	2,939	2,873	2,977	2,707
Total shares	151,790	154,873	152,371	154,723
Earnings per common share - diluted	$ 0.52	$ 0.42	$ 0.96	$ 0.80

Options to purchase 1.3 million and 1.4 million shares of common stock that were outstanding during the three and six months ended June 30, 2008, 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. Antidilutive shares during the three and six months ended June 30, 2007, were 1.4 million and 1.6 million, respectively.

NOTE 5 - BUSINESS ACQUISITIONS

One of the Company’s 2005 acquisitions and one of the Company’s 2007 acquisitions included provisions for possible additional payments based on the post closing performance of the individual businesses. During the first six months of 2008, the Company paid $2.4 million in additional purchase price under these agreements.

NOTE 6 - SEGMENT 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 disclosing information about reportable segments in financial statements. The Company has numerous operating businesses covering a wide range of products and geographic regions, primarily serving the professional dental market. Professional dental products represented approximately 97% and 97% of sales for the periods ended June 30, 2008 and 2007, respectively.

The operating businesses are combined into operating groups, which have overlapping product offerings, geographical presence, customer bases, distribution channels, and regulatory oversight. These operating groups are considered the Company’s reportable segments under SFAS 131 as the Company’s chief operating decision-maker regularly reviews financial results at the operating group level and uses this information to manage the Company’s operations. The accounting policies of the groups are consistent with those described in the most recently filed 10-K Consolidated Financial Statements in the summary of significant accounting policies. The Company measures segment income for reporting purposes as net operating profit before restructuring, interest and taxes.

United States, Germany, and Certain Other European Regions Consumables Businesses

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

France, United Kingdom, Italy, CIS, Middle East, Africa, Pacific Rim Businesses

This business group includes responsibility for the sales and distribution for chairside consumable products and certain small equipment, certain laboratory products, and certain Endodontic products in France, United Kingdom, Italy, the Commonwealth of Independent States (“CIS”), Middle East, Africa, Asia (excluding Japan), Japan and Australia, as well as the sale and distribution of implant products and bone substitute/grafting materials in Italy, Asia and Australia. This business group also includes the manufacturing and sale of Orthodontic products, the manufacturing of certain laboratory products in Japan, and the manufacturing of certain laboratory and certain Endodontic products in Asia.

Canada/Latin America/Endodontics/Orthodontics

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

Global Dental Laboratory Business/Implants/Non-Dental

This business group includes the responsibility for the design, manufacture, world-wide sales and distribution for laboratory products, excluding certain laboratory products mentioned earlier, and the design, manufacture, and/or sales and distribution of the Company's dental implant products and bone substitute/grafting materials, excluding sales and distribution of implants and bone substitute/grafting materials in the United States, Italy, Asia, Australia and sales and distribution of implants in Brazil. This business group is also responsible for the Company's non-dental business.

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

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

The following tables set forth information about the Company’s operating groups for the three and six months ended June 30, 2008 and 2007:

Third Party Net Sales	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in thousands)			
U.S., Germany, and Certain Other European Regions Consumable Businesses	$ 126,378	$ 106,221	$ 248,906	$ 206,634
France, U.K., Italy, CIS, Middle East, Africa, Pacific Rim Businesses	118,776	98,005	220,344	184,710
Canada/Latin America/Endodontics/ Orthodontics	168,551	149,374	322,349	284,453
Global Dental Laboratory Business/ Implants/Non-Dental	182,063	154,703	366,194	306,743
All Other (a)	(921)	(941)	(2,164)	(2,314)
Total	$ 594,847	$ 507,362	$ 1,155,629	$ 980,226

The presentation of net sales, excluding precious metal content, is considered a measure not calculated in accordance with generally accepted accounting principles (“GAAP”), and is therefore considered a non-GAAP measure. This non-GAAP measure is discussed further in “Management's Discussion and Analysis of Financial Condition and Results of Operations” and a reconciliation of net sales, excluding precious metal content, to net sales is provided below.

Third Party Net Sales, excluding precious metal content	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
	(in thousands)			
U.S., Germany, and Certain Other European Regions Consumable Businesses	$ 126,378	$ 106,221	$ 248,906	$ 206,634
France, U.K., Italy, CIS, Middle East, Africa, Pacific Rim Businesses	112,675	92,029	207,919	172,063
Canada/Latin America/Endodontics/ Orthodontics	167,545	148,496	320,442	282,479
Global Dental Laboratory Business/				