

Edgar Filing: DENTSPLY INTERNATIONAL INC /DE/ - Form 8-K

DENTSPLY INTERNATIONAL INC /DE/
Form 8-K
November 08, 2006

SECURITIES AND EXCHANGE COMMISSION

placeCityWASHINGTON, StateD.C. PostalCode20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934

Date of Report November 6, 2006
(Date of earliest event reported)

DENTSPLY INTERNATIONAL INC
(Exact name of Company as specified in charter)

placeStateDelaware 0-16211 39-1434669
(State of placeStateIncorporation) (Commission (IRS Employer
File Number) Identification No.)

addressStreet221 West Philadelphia Street, CityYork,
StatePennsylvania PostalCode17405 (Address of principal
executive offices) (Zip Code)

(717) 845-7511 (Company's telephone number
including area code)

Check the appropriate box below if the Form 8-K filing is intended to
simultaneously satisfy the filing obligation of the registrant under any of the
following provisions:

____ Written communications pursuant to Rule 425 under the Securities Act
(17 CFR 230.425)

____ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17
CFR 240.14a-12)

____ Pre-commencement communications pursuant to Rule 14d-2(b) under the
Exchange Act (17 CFR 240.14d-2(b))

____ Pre-commencement communications pursuant to Rule 13e-4(c) under the
Exchange Act (17 CFR 240.13e-4(c))

Item 4.02 - Non-Reliance on Previously Issued Financial Statements or a Related
Audit Report or Completed Interim Review.

Edgar Filing: DENTSPLY INTERNATIONAL INC /DE/ - Form 8-K

The following information is furnished pursuant to Item 4.02 related to the restatement of the Company's financial statements.

(a) In its press release dated November 1, 2006, Dentsply International Inc. (the "Company") noted that it would be restating certain financial statements based on the recent review of accounting policies related to the classification of certain short term investments as cash equivalents in the Company's consolidated balance sheets and its corresponding presentation in the consolidated statements of cash flows. This review was completed by management, the Audit and Finance Committee of the Board of Directors of the Company (the "Audit Committee"), and the Company's independent registered public accounting firm. On November 1, 2006, the Company's management and Audit Committee concluded that the following previously issued financial statements should no longer be relied upon due to the identification of certain errors: (i) the consolidated balance sheet as of June 30, 2006 and the consolidated statements of cash flows for the six months ended June 30, 2006 and 2005 included in the Company's Form 10-Q for the quarterly period ended June 30, 2006, (ii) the consolidated balance sheet as of March 31, 2006 and the consolidated statements of cash flows for the three months ended March 31, 2006 and 2005 included in the Company's Form 10-Q for the quarterly period ended March 31, 2006, (iii) the consolidated balance sheets as of December 31, 2005 and 2004, the consolidated statements of cash flows for the fiscal years ended December 31, 2005 and 2004, and the related report of the independent registered public accounting firm included in the Company's previously filed annual report on Form 10-K for the fiscal year ended December 31, 2005. These errors had no impact on the Company's total current assets, total assets, total stockholders' equity, net income (loss), earnings (loss) per share, or cash flows from operating activities.

The errors underlying the conclusion that the above mentioned financial statements should no longer be relied upon were identified during the third quarter of 2006 as a result of a reassessment by the Company of its classification of time deposits with original maturity dates at the date of purchase in excess of 90 days as cash equivalents. As a result of this reassessment, it has been determined that these time deposits were incorrectly classified as cash equivalents based strictly on the stated maturity date on the acknowledgement of the deposits being in excess of 90 days, despite the fact that the time deposits held by the Company are highly liquid deposits with a liquidity feature that provides the Company with access to the full principal amount of the deposits within generally a one to two day period. It was further determined that these time deposits with original maturity dates at the date of purchase in excess of 90 days should have been classified as short-term investments on the Company's consolidated balance sheet instead of as cash equivalents, and should also have been reflected as investing activities in the Company's consolidated statement of cash flows.

In addition to the restatement of those reports previously identified, the Company also will restate its statement of cash flows for the interim period ended September 30, 2005, previously issued on Form 10-Q, when it files its report on Form 10-Q for the quarterly period ending September 30, 2006.

The impact of the error on the respective financial statements is as follows:

| | December 31, 2004 | | December 31, 2005 | | March 31, 2006 | |
|---------------|---------------------|----------|---------------------|----------|---------------------|----------|
| Balance Sheet | Previously reported | Restated | Previously reported | Restated | Previously reported | Restated |
| | | | | | | |

Edgar Filing: DENTSPLY INTERNATIONAL INC /DE/ - Form 8-K

| | | | | | | |
|---|-----------|------------|------------|------------|------------|------------|
| Cash and cash equivalents | \$506,369 | \$ 403,541 | \$ 434,525 | \$ 433,984 | \$ 412,719 | \$ 260,595 |
| Short-term investments | \$ - | \$ 102,828 | \$ - | \$ 541 | \$ - | \$ 152,828 |
| Total cash, cash equivalents and short term investments | \$506,369 | \$ 506,369 | \$ 434,525 | \$ 434,525 | \$ 412,719 | \$ 412,828 |
| | ===== | ===== | ===== | ===== | ===== | ===== |

| Statements of Cash Flows | Twelve Months Ended December 31, 2004 | | Three Months Ended March 30, 2005 | | Six Months June 30, |
|--|--|--------------|--------------------------------------|--------------|------------------------|
| | Previously reported | Restated | Previously reported | Restated | Previously reported |
| Cash flows from Investing Activities: | | | | | |
| Purchases of short-term investments | \$ - | \$ (142,867) | \$ - | \$ (82,568) | \$ - |
| Liquidations of short-term investments | \$ - | \$ 48,103 | \$ - | \$ 13,689 | \$ - |
| Net cash flows from investing activities | \$ 39,274 | \$ (55,490) | \$ (8,186) | \$ (77,065) | \$ (12,921) |
| Effect of exchange rate changes on cash and cash equivalents | \$ 26,816 | \$ 18,753 | \$ (17,768) | \$ (12,086) | \$ (42,339) |
| Net (decrease) increase in cash and cash equivalents | \$ 342,614 | \$ 239,786 | \$ (69,667) | \$ (132,864) | \$ (140,694) |
| Cash and cash equivalents at beginning of period | \$ 163,755 | \$ 163,755 | \$ 506,369 | \$ 403,541 | \$ 506,369 |
| Cash and cash equivalents at end of period | \$ 506,369 | \$ 403,541 | \$ 436,702 | \$ 270,677 | \$ 365,675 |

| Statements of Cash Flows | Twelve month ended December 31, 2005 | | Three Months Ended March 31, 2006 | | Six Mont June 3 |
|--|---|--------------|--------------------------------------|--------------|------------------------|
| | Previously reported | Restated | Previously reported | Restated | Previously reported |
| Cash flows from Investing Activities: | | | | | |
| Purchases of short-term investments | \$ - | \$ (148,546) | \$ - | \$ (150,711) | \$ - |
| Liquidations of short-term investments | \$ - | \$ 241,264 | \$ - | \$ 540 | \$ - |
| Net cash flows from investing activities | \$ (42,472) | \$ 50,246 | \$ (12,376) | \$ (162,547) | \$ (27,791) |
| Effect of exchange rate changes on cash and cash equivalents | \$ (49,770) | \$ (40,202) | \$ 5,967 | \$ 4,555 | \$ 29,811 |
| Net (decrease) increase in cash and cash equivalents | \$ (71,844) | \$ 30,443 | \$ (21,806) | \$ (173,389) | \$ 40,891 |
| Cash and cash equivalents at beginning of period | \$ 506,369 | \$ 403,541 | \$ 434,525 | \$ 433,984 | \$ 434,525 |
| Cash and cash equivalents at end of period | \$ 434,525 | \$ 433,984 | \$ 412,719 | \$ 260,595 | \$ 475,411 |

Additional Information

For additional information, investors or other interested parties should refer to, upon being filed with the SEC, the Company's amended reports on Form 10-Q for the quarterly periods ended March 31 and June 30, 2006, the amended annual report on Form 10-K for the year ended December 31, 2005, and report on Form

Edgar Filing: DENTSPLY INTERNATIONAL INC /DE/ - Form 8-K

10-Q for the quarterly period ending September 30, 2006.

The Company's management and the Audit Committee have discussed the content of this filing with PricewaterhouseCoopers LLP, the Company's independent registered public accounting firm.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Company has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

DENTSPLY INTERNATIONAL INC
(Company)

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

Date: November 7, 2006