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DENTSPLY International, Inc. Q4 2007 Earnings Call Transcript

Question-and-Answer Session

Thank you. [Operator instructions]. and will go first to, [inaudible]

Steven Postal - Lehman Brothers

Thanks a lot. Good morning, and congratulation on a great year.

Bret W. Wise - Chairman, Chief Executive Officer and President

Good morning, Steve.

William R. Jellison - Chief Financial Officer and Senior Vice President

Thank you, Steven.

Steven Postal - Lehman Brothers

Can we just start with the economy since that seems to be a focus of a lot of people? Could you maybe discuss how economic conditions impact the business in the US and how you think that compares to Europe, and then drilling down there, what you're seeing in both those regions and if you're seeing any particular business in the US that's having an? that's seeing an impact on the changes in the economy?

Bret W. Wise - Chairman, Chief Executive Officer and President

Okay, Steven. This is Bret. I'll take a stab at that. I think as we said before, just as the general premise, dentistry is more resistant to economic downturns than most industries. In the? it differs in different regions because the reimbursement comes from different places. But in the US for instance our reimbursement comes from our job? our insurance comes from our job. So if we have job loss in the US, there could be a slight downturn in the ability to pay for dental procedures and that could have an impact.

I'd say, as you look at the portfolio, our portfolio, it's a very balanced portfolio between lab products, general consumables, and then the specialty items. Certainly, I would expect that the specialty items excluding endo are the most vulnerable, and that's because implants and orthodontics are more discretionary than for instance an endo procedure where there is pain relief involved or even general dental procedures where you need a restoration of some sort. Certainly, what we have seen in the marketplace is that the implant market has slowed. We know that because the vast majority of the market is represented by public companies and they disclose their growth rates. So as we look at the US market, we know that it has probably slowed from the upper teens to the lower teens or maybe...

we still think it's growing double digit. Our growth is faster than that, but as we've said before, we think that's because of the amount of resources being applied to a business with very small market share.

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