

CONMED to Distribute Pulse Oximetry Products

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UTICA, N.Y., Jan. 29 /PRNewswire-FirstCall/ -- CONMED Corporation (Nasdaq: CNMD -) and Dolphin Medical, Inc., a majority-owned subsidiary of OSI Systems, Inc. (Nasdaq: OSIS -), today announced an agreement under which CONMED will become the exclusive North American distributor for a full line of pulse oximetry products manufactured by Dolphin. Pulse oximeters are used in critical care to continuously monitor a patient's arterial blood oxygen saturation (SpO2) and pulse rate.

The oximetry products include a full line of sensors compatible with the installed base of market leader Nellcor Puritan Bennett, Inc. Dolphin's line has become available in the United States as a result of the expiration of key Nellcor U.S. patents in November 2003. The distribution agreement also includes the Dolphin ONE (Oximetry Noise Elimination) products, which are Dolphin's proprietary all-digital oximeters. CONMED will begin selling Dolphin's pulse oximetry line in the first calendar quarter of 2004 and expects first-year revenues in the range of \$2 million to \$3 million.

Mr. Joseph J. Corasanti, President and Chief Operating Officer of CONMED, said, "The Dolphin pulse oximetry line will be sold by our Patient Care sales group, in line with our strategy of adding products to leverage our distribution strengths. We look forward to introducing these oximetry products to our customers because of the clinical and economic value they will provide."

Mr. Dan Goldberger, President of Dolphin Medical, Inc. said, "We are very pleased that Conmed's Patient Care sales group will be distributing our products to clinicians who finally have an alternative to Nellcor's oximetry products. Dolphin's compatible sensor line offers incomparable quality and value. Dolphin ONE (Oximetry Noise Elimination) is the solution for challenging situations of low perfusion or motion artifact."

CONMED Profile

CONMED is a medical technology company specializing in instruments, implants, and video equipment for arthroscopic sports medicine, and powered surgical instruments, such as drills and saws, for orthopedic, ENT, neuro- surgery, and other surgical specialties. The Company is also a leading developer, manufacturer and supplier of RF electrosurgery systems used routinely to cut and cauterize tissue in nearly all types of surgical procedures worldwide, endoscopy products such as trocars, clip appliers, scissors, and surgical staplers. The Company offers integrated operating room design and intensive care unit service managers. The Company also manufactures and sells a full line of ECG electrodes for heart monitoring and other patient care products. Headquartered in Utica, New York, the Company's 2,600 employees distribute its products worldwide from eleven manufacturing locations.

OSI Systems Profile

OSI Systems Inc. is a diversified global developer, manufacturer and seller of security and inspection systems, medical monitoring products, and optoelectronic-based components and systems. The company has more than 30 years of optoelectronics experience, and through its family of subsidiaries, competes in three specific growth areas: OEM Manufacturing, Security and Inspection Systems, and Medical Devices. For more information on OSI Systems Inc. or any of its subsidiary companies, visit www.osi-systems.com.

Forward Looking Information

This press release contains forward-looking statements based on certain assumptions and contingencies that involve risks and uncertainties. The forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and relate to the Company's performance on a going-forward basis. The forward-looking statements in this press release involve risks and uncertainties which could cause actual results, performance or trends, including the above mentioned anticipated revenues and earnings, to differ materially from those expressed in the

forward-looking statements herein or in previous disclosures. The Company believes that all forward-looking statements made by it have a reasonable basis, but there can be no assurance that management's expectations, beliefs or projections as expressed in the forward-looking statements will actually occur or prove to be correct. In addition to general industry and economic conditions, factors that could cause actual results to differ materially from those discussed in the forward-looking statements in this press release include, but are not limited to: (i) the failure of any one or more of the assumptions stated above, to prove to be correct; (ii) the risks relating to forward-looking statements discussed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002; (iii) cyclical purchasing patterns from customers, end-users and dealers; (iv) timely release of new products, and acceptance of such new products by the market; (v) the introduction of new products by competitors and other competitive responses; (vi) the possibility that any new acquisition or other transaction may require the Company to reconsider its financial assumptions and goals/targets; and/or (vii) the Company's ability to devise and execute strategies to respond to market conditions.