UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15 (d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the quarterly period ended
September 30, 2008

Commission File Number 0-16093

CONMED CORPORATION
(Exact name of the registrant as specified in its charter)

New York	**16-0977505**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
525 French Road, Utica, New York	**13502**
(Address of principal executive offices)	(Zip Code)

(315) 797-8375
(Registrant's telephone number, including area code)

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 ☒ No ☐

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "accelerated filer, large accelerated filer and smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one).

Large accelerated filer ☒ 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 Exchange Act). Yes ☐ No ☒

The number of shares outstanding of registrant's common stock, as of October 31, 2008 is 29,021,615 shares.

CONMED CORPORATION

QUARTERLY REPORT ON FORM 10-Q
FOR THE QUARTER ENDED SEPTEMBER 30, 2008

PART I FINANCIAL INFORMATION

PART I FINANCIAL INFORMATION
Item 1.

CONMED CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF INCOME
(Unaudited, in thousands except per share amounts)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2007	**2008**	**2007**	**2008**
Net sales	$ 164,448	$ 179,409	$ 504,720	$ 562,937
Cost of sales	82,090	84,721	251,277	269,595
Gross profit	82,358	94,688	253,443	293,342
Selling and administrative expense	57,506	67,768	175,518	205,963
Research and development expense	7,936	8,668	22,983	25,435
Other expense (income)	-	709	(4,102)	709
	65,442	77,145	194,399	232,107
Income from operations	16,916	17,543	59,044	61,235
Interest expense	3,861	2,444	12,706	8,057
Income before income taxes	13,055	15,099	46,338	53,178
Provision for income taxes	4,700	4,580	16,716	19,194
Net income	$ 8,355	$ 10,519	$ 29,622	$ 33,984
Per share data:				
Net income				
Basic	$ .29	$ .36	$ 1.06	$ 1.18
Diluted	.29	.36	1.04	1.16
Weighted average common shares				
Basic	28,572	28,864	27,990	28,718
Diluted	29,101	29,415	28,580	29,189

See notes to consolidated condensed financial statements.

CONMED CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(Unaudited, in thousands except share and per share amounts)

	December 31, 2007	September 30, 2008
ASSETS		
Current assets:		
Cash and cash equivalents	$ 11,695	$ 31,898
Accounts receivable, net	80,642	99,367
Inventories	164,969	161,401
Income taxes receivable	1,425	1,123
Deferred income taxes	11,697	11,632
Prepaid expenses and other current assets	8,594	10,499
Total current assets	279,022	315,920
Property, plant and equipment, net	123,679	139,158
Goodwill	289,508	290,173
Other intangible assets, net	191,807	196,752
Other assets	9,935	7,723
Total assets	$ 893,951	$ 949,726
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 3,349	$ 3,830
Accounts payable	38,987	37,587
Accrued compensation and benefits	19,724	22,957
Other current liabilities	15,224	16,390
Total current liabilities	77,284	80,764
Long-term debt	219,485	217,676
Deferred income taxes	71,188	89,655
Other long-term liabilities	20,992	17,052
Total liabilities	388,949	405,147
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, par value $.01 per share; authorized 500,000 shares; none outstanding	-	-
Common stock, par value $.01 per share; 100,000,000 shares authorized; 31,299,203 shares issued in 2007 and 2008, respectively	313	313
Paid-in capital	287,926	289,996
Retained earnings	284,850	316,877
Accumulated other comprehensive income (loss)	(505)	(5,174)
Less: 2,684,163 and 2,285,090 shares of common stock in treasury, at cost in 2007 and 2008, respectively	(67,582)	(57,433)
Total shareholders' equity	505,002	544,579
Total liabilities and shareholders' equity	$ 893,951	$ 949,726

See notes to consolidated condensed financial statements.

CONMED CORPORATION
CONSOLIDATED CONDENSED STATEMENTS OF CASH FLOWS
(Unaudited, in thousands)

	Nine months ended September 30,	
	2007	**2008**
Cash flows from operating activities:		
Net income	$ 29,622	$ 33,984
Adjustments to reconcile net income, to net cash provided by operating activities:		
Depreciation	9,498	10,590
Amortization	14,015	13,257
Stock-based compensation	2,932	3,215
Deferred income taxes	14,869	17,981
Sale of accounts receivable	(4,000)	(5,000)
Increase (decrease) in cash flows from changes in assets and liabilities:		
Accounts receivable	(2,424)	(1,398)
Inventories	(21,826)	(2,973)
Accounts payable	(5,284)	(6,060)
Income taxes receivable	(1,904)	(953)
Accrued compensation and benefits	740	3,192
Other assets	(298)	(1,966)
Other liabilities	(477)	(8,038)
	5,841	21,847
Net cash provided by operating activities	35,463	55,831
Cash flows from investing activities:		
Purchases of property, plant, and equipment	(15,964)	(21,852)
Payments related to business acquisitions	(5,837)	(22,033)
Net cash used in investing activities	(21,801)	(43,885)
Cash flows from financing activities:		
Net proceeds from common stock issued under employee plans	11,119	7,048
Payments on long term debt	(24,930)	(1,328)
Net change in cash overdrafts	(1,770)	-
Net cash provided by (used in) financing activities	(15,581)	5,720
Effect of exchange rate changes on cash and cash equivalents	3,499	2,537
Net increase in cash and cash equivalents	1,580	20,203
Cash and cash equivalents at beginning of period	3,831	11,695
Cash and cash equivalents at end of period	$ 5,411	$ 31,898

See notes to consolidated condensed financial statements.

CONMED CORPORATION
NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS
(Unaudited, in thousands except per share amounts)

Note 1 – Operations and Significant Accounting Policies

Organization and operations

CONMED Corporation ("CONMED", the "Company", "we" or "us") is a medical technology company with an emphasis on surgical devices and equipment for minimally invasive procedures and monitoring. The Company's products serve the clinical areas of arthroscopy, powered surgical instruments, electrosurgery, cardiac monitoring disposables, endosurgery and endoscopic technologies. They are used by surgeons and physicians in a variety of specialties including orthopedics, general surgery, gynecology, neurosurgery, and gastroenterology.

Note 2 - Interim financial information

The accompanying unaudited consolidated condensed financial statements have been prepared in accordance with generally accepted accounting principles for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by generally accepted accounting principles for annual financial statements. Results for the period ended September 30, 2008 are not necessarily indicative of the results that may be expected for the year ending December 31, 2008.

The consolidated condensed financial statements and notes thereto should be read in conjunction with the financial statements and notes for the year-ended December 31, 2007 included in our Annual Report on Form 10-K.

Note 3 – Other comprehensive income

Comprehensive income consists of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2007	2008	2007	2008
Net income	$ 8,355	$ 10,519	$ 29,622	$ 33,984
Other comprehensive income:				
Pension liability	145	89	434	269
Foreign currency translation adjustment	2,368	(7,638)	4,309	(4,938)
Comprehensive income	$ 10,868	$ 2,970	$ 34,365	$ 29,315

Accumulated other comprehensive income consists of the following:

	Minimum Pension Liability	Cumulative Translation Adjustments	Accumulated Other Comprehensive Income (loss)
Balance, December 31, 2007	$ (9,563)	$ 9,058	$ (505)
Pension liability	269	-	269
Foreign currency translation adjustments	-	(4,938)	(4,938)
Balance, September 30, 2008	$ (9,294)	$ 4,120	$ (5,174)

Note 4 – Fair value measurement

In September 2006, the Financial Accounting Standards Board ("FASB") issued SFAS No. 157, "Fair Value Measurements" ("SFAS 157"), which is effective for fiscal years beginning after November 15, 2007 and for interim periods within those years. This statement defines fair value, establishes a framework for measuring fair value and expands the related disclosure requirements. This statement applies under other accounting pronouncements that require or permit fair value measurements. The statement indicates, among other things, that a fair value measurement assumes that the transaction to sell an asset or transfer a liability occurs in the principal market for the asset or liability or, in the absence of a principal market, the most advantageous market for the asset or liability. SFAS 157 defines fair value based upon an exit price model.

Relative to SFAS 157, the FASB issued FASB Staff Positions ("FSP") 157-1 and 157-2. FSP 157-1 amends SFAS 157 to exclude SFAS No. 13, "Accounting for Leases" ("SFAS 13") and its related interpretive accounting pronouncements that address leasing transactions, while FSP 157-2 delays the effective date of the application of SFAS 157 to fiscal years beginning after November 15, 2008 for all nonfinancial assets and nonfinancial liabilities that are recognized or disclosed at fair value in the financial statements on a nonrecurring basis.

We adopted SFAS 157 as of January 1, 2008 with the exception of the application of the statement to non-recurring nonfinancial assets and nonfinancial liabilities. Nonrecurring nonfinancial assets and nonfinancial liabilities for which we have not applied the provisions of SFAS 157 include those measured at fair value in goodwill impairment testing, indefinite lived intangible assets measured at fair value for impairment testing, and those initially measured at fair value in a business combination.

Liabilities carried at fair value and measured on a recurring basis as of September 30, 2008 consist of forward foreign exchange contracts and two embedded derivatives associated with our 2.50% convertible senior subordinated notes (the "Notes"). The value of these liabilities was determined within Level 2 of the valuation hierarchy and was not material either individually or in the aggregate to our financial position, results of operations or cash flows.

Note 5 - Inventories

Inventories consist of the following:

	December 31, 2007	September 30, 2008
Raw materials	$ 60,081	$ 54,736
Work-in-process	18,669	21,336
Finished goods	86,219	85,329
Total	$ 164,969	$ 161,401

Note 6 – Earnings per share

Basic earnings per share ("EPS") is computed by dividing net income by the weighted average number of common shares outstanding for the reporting period. Diluted earnings per share ("diluted EPS") gives effect to all dilutive potential shares outstanding resulting from employee share-based awards during the period. The following table sets forth the computation of basic and diluted earnings per share for the three and nine month periods ended September 30, 2007 and 2008.

	Three months ended September 30,		Nine months ended September 30,	
	2007	2008	2007	2008
Net income	$ 8,355	$ 10,519	$ 29,622	$ 33,984
Basic – weighted average shares outstanding	28,572	28,864	27,990	28,718
Effect of dilutive potential securities	529	551	590	471
Diluted – weighted average shares outstanding	29,101	29,415	28,580	29,189
Basic EPS	$ .29	$ .36	$ 1.06	$ 1.18
Diluted EPS	.29	.36	1.04	1.16

The shares used in the calculation of diluted EPS exclude options and SARs to purchase shares where the exercise price was greater than the average market price of common shares for the period. Shares excluded from the calculation of diluted EPS aggregated 0.7 million and 0.6 million for the three and nine months ended September 30, 2007, respectively. Shares excluded from the calculation of diluted EPS aggregated 0.8 million and 0.9 million for the three and nine months ended September 30, 2008, respectively. Upon conversion of our 2.50% convertible senior subordinated notes (the "Notes"), the holder of each Note will receive the conversion value of the Note payable in cash up to the principal amount of the Note and CONMED common stock for the Note's conversion value in excess of such principal amount. As of September 30, 2008, our share price has not exceeded the conversion price of the Notes, therefore the conversion value was less than the principal amount of the Notes. Under the net share settlement method and in accordance with Emerging Issues Task Force ("EITF") Issue 04-8, "The Effect of Contingently Convertible Debt on Diluted Earnings per Share", there were no potential shares issuable under the Notes to be used in the calculation of diluted EPS. The maximum number of shares we may issue with respect to the Notes is 5,750,000.

Note 7 – Goodwill and other intangible assets

The changes in the net carrying amount of goodwill for the nine months ended September 30, 2008 are as follows:

Balance as of January 1, 2008	$ 289,508
Adjustments to goodwill resulting from business acquisitions finalized	519
Foreign currency translation	146
Balance as of September 30, 2008	$ 290,173

Goodwill associated with each of our principal operating units is as follows:

	December 31, 2007	September 30, 2008
CONMED Electrosurgery	$ 16,645	$ 16,645
CONMED Endosurgery	42,439	42,439
CONMED Linvatec	171,332	171,478
CONMED Patient Care	59,092	59,611
	$ 289,508	$ 290,173

Other intangible assets consist of the following:

	December 31, 2007		September 30, 2008	
	Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized intangible assets:				
Customer relationships	$ 118,124	$ (28,000)	$ 127,026	$ (31,142)
Patents and other intangible assets	39,812	(26,473)	40,512	(27,988)
Unamortized intangible assets:				
Trademarks and tradenames	88,344	-	88,344	-
	$ 246,280	$ (54,473)	$ 255,882	$ (59,130)

Other intangible assets primarily represent allocations of purchase price to identifiable intangible assets of acquired businesses. The weighted average

amortization period for intangible assets which are amortized is 24 years. Customer relationships are being amortized over a weighted average life of 35 years. Patents and other intangible assets are being amortized over a weighted average life of 11 years.

Amortization expense related to intangible assets which are subject to amortization totaled $1,550 and $4,657 in the three and nine months ended September 30, 2008, respectively, and $1,428 and $3,985 in the three and nine months ended September 30, 2007, respectively, and is included in selling and administrative expense on the consolidated condensed statement of income.

The estimated amortization expense for the year ending December 31, 2008, including the nine month period ended September 30, 2008 and for each of the five succeeding years is as follows:

2008	6,250
2009	6,250
2010	6,183
2011	5,613
2012	5,462
2013	5,251

Note 8 — Guarantees

We provide warranties on certain of our products at the time of sale. The standard warranty period for our capital and reusable equipment is generally one year. Liability under service and warranty policies is based upon a review of historical warranty and service claim experience. Adjustments are made to accruals as claim data and historical experience warrant.

Changes in the carrying amount of service and product warranties for the nine months ended September 30, 2008 are as follows:

Balance as of January 1, 2008	$ 3,306
Provision for warranties	2,699
Claims made	(2,699)
Balance as of September 30, 2008	$ 3,306

Note 9 – Pension plan

Net periodic pension costs consist of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2007	2008	2007	2008
Service cost	$ 1,602	$ 1,536	$ 4,312	$ 4,751
Interest cost on projected benefit obligation	855	843	2,301	2,606
Expected return on plan assets	(793)	(845)	(2,134)	(2,614)
Net amortization and deferral	229	142	687	285
Net periodic pension cost	$ 1,893	$ 1,676	$ 5,166	$ 5,028

We previously disclosed in our Annual Report on Form 10-K for the year-ended December 31, 2007 that we expect to make $12.0 million in contributions to our pension plan in 2008. We made $9.0 million in contributions for the nine months ended September 30, 2008.

Note 10 – Other expense

Other expense (income) consists of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2007	2008	2007	2008
Termination of product offering	$ -	$ -	$ 148	$ -
Litigation settlement	-	-	(6,072)	-
New plant/facility consolidation costs	-	709	1,822	709
Other expense (income)	$ -	$ 709	$ (4,102)	$ 709

In November 2003, we commenced litigation against Johnson & Johnson and several of its subsidiaries, including Ethicon, Inc. for violations of federal and state antitrust laws. In the lawsuit we claimed that Johnson & Johnson engaged in illegal and anticompetitive conduct with respect to sales of product used in endoscopic surgery, resulting in higher prices to consumers and the exclusion of competition. We sought relief including an injunction restraining Johnson & Johnson from continuing its anticompetitive practices as well as receiving the maximum amount of damages allowed by law. During the litigation, Johnson & Johnson represented that the marketing practices which gave rise to the litigation had been altered with respect to CONMED. On March 31, 2007, CONMED and Johnson & Johnson settled the litigation. Under the terms of the final settlement agreement, CONMED received a payment of $11.0 million from Johnson & Johnson in return for which we terminated the lawsuit. After deducting legal and other related costs, we recorded a pre-tax gain of $6.1 million related to the settlement which we have recorded in other expense (income).

During 2006, we elected to close our facility in Montreal, Canada which manufactured products for our CONMED Linvatec line of integrated operating room systems and equipment. The products which had been manufactured in the Montreal facility are now purchased from third party vendors. The closing of this facility was completed in the first quarter of 2007. We incurred a total of $2.2 million in costs associated with this closure, of which $1.3 million related to the write-off of inventory and was included in cost of goods sold during 2006. The remaining $0.9 million (including $0.3 million in the first quarter of 2007) primarily relates to severance expense and the disposal of fixed assets which we have recorded in other expense (income).

During 2007, we elected to close our CONMED Endoscopic Technologies sales office in France. During the nine months ended September 30, 2007, we incurred $1.5 million in costs associated with this closure primarily related to severance expense. We have recorded such costs in other expense (income); no further expenses are expected to be incurred.

During 2008, we announced a plan to restructure certain of our operations as further described in Note 15. As part of this restructuring we have incurred $0.7 million in the third quarter of 2008. We expect to incur additional costs, however we cannot currently estimate the costs of the restructuring plan as details of the plan are still being finalized. We do not believe such costs will have a material impact on our financial condition, results of operations or cash flows.

Note 11 — Business Segments and Geographic Areas

CONMED conducts its business through five principal operating segments, CONMED Endoscopic Technologies, CONMED Endosurgery, CONMED Electrosurgery, CONMED Linvatec and CONMED Patient Care. We believe each of our segments are similar in the nature of products, production processes, customer base, distribution methods and regulatory environment. In accordance with Statement of Financial Accounting Standards No. 131 "Disclosures About Segments of an Enterprise and Related Information" ("SFAS 131"), our CONMED Endosurgery, CONMED Electrosurgery and CONMED Linvatec operating segments also have similar economic characteristics and therefore qualify for aggregation under SFAS 131. Our CONMED Patient Care and CONMED Endoscopic Technologies operating segments do not qualify for aggregation under SFAS 131 since their economic characteristics do not meet the criteria for aggregation as a result of the lower overall operating income (loss) in these segments.

CONMED Endosurgery, CONMED Electrosurgery and CONMED Linvatec consist of a single aggregated segment comprising a complete line of endo-mechanical instrumentation for minimally invasive laparoscopic procedures, electrosurgical generators and related surgical instruments, arthroscopic instrumentation for use in orthopedic surgery and small bone, large bone and specialty powered surgical instruments. CONMED Patient Care product offerings include a line of vital signs and cardiac monitoring products as well as suction instruments and tubing for use in the operating room. CONMED Endoscopic Technologies product offerings include a comprehensive line of minimally invasive endoscopic diagnostic and therapeutic instruments used in procedures in the digestive tract.

The following is net sales information by product line and reportable segment:

	Three months ended September 30,		Nine months ended September 30,	
	2007	2008	2007	2008
Arthroscopy	$ 58,825	$ 69,507	$ 186,017	$ 221,681
Powered Surgical Instruments	36,314	38,807	109,857	119,106
CONMED Linvatec	95,139	108,314	295,874	340,787
CONMED Electrosurgery	22,948	23,567	69,097	76,207
CONMED Endosurgery	15,279	15,764	44,319	48,249
CONMED Linvatec, Endosurgery and Electrosurgery	133,366	147,645	409,290	465,243
CONMED Patient Care	18,546	18,800	56,222	58,918
CONMED Endoscopic Technologies	12,536	12,964	39,208	38,776
Total	$ 164,448	$ 179,409	$ 504,720	$ 562,937

Total assets, capital expenditures, depreciation and amortization information are not available by segment.

The following is a reconciliation between segment operating income and income before income taxes:

	Three months ended September 30,		Nine months ended September 30,	
	2007	2008	2007	2008
CONMED Linvatec, Endosurgery and Electrosurgery	$ 18,229	$ 21,513	$ 61,938	$ 76,688
CONMED Patient Care	1,110	854	872	1,997
CONMED Endoscopic Technologies	(1,449)	(1,764)	(5,092)	(6,609)
Corporate	(974)	(3,060)	1,326	(10,841)
Income from Operations	16,916	17,543	59,044	61,235
Interest expense	3,861	2,444	12,706	8,057
Total income before income taxes	$ 13,055	$ 15,099	$ 46,338	$ 53,178

Note 12 – Legal proceedings

From time to time, we are a defendant in certain lawsuits alleging product liability, patent infringement, or other claims incurred in the ordinary course of business. Likewise, from time to time, the Company may receive a subpoena from a government agency such as the Equal Employment Opportunity Commission, Occupational Safety and Health Administration, the Department of Labor, the Treasury Department, and other federal and state agencies or foreign governments or government agencies. These subpoenae may or may not be routine inquiries, or may begin as routine inquiries and over time develop into enforcement actions of various types. The product liability claims are generally covered by various insurance policies, subject to certain deductible amounts, maximum policy limits and certain exclusions in the respective policies or required as a matter of law. When there is no insurance coverage, as would typically be the case primarily in lawsuits alleging patent infringement or in connection with certain government investigations, we establish reserves sufficient to cover probable losses associated with such claims. We do not expect that the resolution of any pending claims or investigations will have a material adverse effect on our financial condition, results of operations or cash flows. There can be no assurance, however, that future claims or investigations, or the costs associated with responding to such claims or investigations, especially claims and investigations not covered by insurance, will not have a material adverse effect on our future performance.

Manufacturers of medical products may face exposure to significant product liability claims. To date, we have not experienced any product liability claims that are material to our financial statements or condition, but any such claims arising in the future could have a material adverse effect on our business or results of operations. We currently maintain commercial product liability insurance of $25 million per incident and $25 million in the aggregate annually, which we believe is adequate. This coverage is on a claims-made basis. There can be no assurance that claims will not exceed insurance coverage or that such insurance will be available in the future at a reasonable cost to us.

Our operations are subject, and in the past have been subject, to a number of environmental laws and regulations governing, among other things, air emissions, wastewater discharges, the use, handling and disposal of hazardous substances and wastes, soil and groundwater remediation and employee health and safety. In some jurisdictions environmental requirements may be expected to become more stringent in the future. In the United States certain environmental laws can impose liability for the entire cost of site restoration upon each of the parties that may have contributed to conditions at the site regardless of fault or the lawfulness of the party's activities. While we do not believe that the present costs of environmental compliance and remediation are material, there can be no assurance that future compliance or remedial obligations could not have a material adverse effect on our financial condition, results of operations or cash flows.

On April 7, 2006, CONMED received a copy of a complaint filed in the United States District for the Northern District of New York on behalf of a purported class of former CONMED Linvatec sales representatives. The complaint alleges that the former sales representatives were entitled to, but did not receive, severance in 2003 when CONMED Linvatec restructured its distribution channels. The range of loss associated with this complaint ranges from $0 to $3.0 million, not including any interest, fees or costs that might be awarded if the five named plaintiffs were to prevail on their own behalf as well as on behalf of the approximately 70 (or 90 as alleged by the plaintiffs) other members of the purported class. CONMED Linvatec did not generally pay severance during the 2003 restructuring because the former sales representatives were offered sales positions with CONMED Linvatec's new manufacturer's representatives. Other than three of the five named plaintiffs in the class action, nearly all of CONMED Linvatec's former sales representatives accepted such positions.

The Company's motions to dismiss and for summary judgment, which were heard at a hearing held on January 5, 2007, were denied by a Memorandum Decision and Order dated May 22, 2007. The District Court also granted the plaintiffs' motion to certify a class of former CONMED Linvatec sales representatives whose employment with CONMED Linvatec was involuntarily terminated in 2003 and who did not receive severance benefits. With discovery essentially completed, on July 21, 2008, the Company filed motions seeking summary judgment and to decertify the class. In addition, on July 21, 2008, Plaintiffs filed a motion seeking summary judgment. These motions were submitted for decision on August 26, 2008. There is no fixed time frame within which the Court is required to rule on the motions. The Company believes there is no merit to the claims asserted in the Complaint, and plans to vigorously defend the case. There can be no assurance, however, that the Company will prevail in the litigation.

Note 13 – New accounting pronouncements

In December 2007, the FASB issued Statement of Financial Accounting Standard No. 141 (revised 2007), "Business Combinations" ("SFAS 141R"). SFAS 141R requires the use of "acquisition date fair value" to record all the identifiable assets, liabilities, noncontrolling interests and goodwill acquired in a business combination. SFAS 141R is effective for fiscal years beginning on or after December 15, 2008. The Company is currently assessing the impact of SFAS 141R on its consolidated financial statements.

In March 2008, the FASB issued SFAS No. 161, "Disclosures About Derivative Instruments and Hedging Activities – an amendment of FASB Statement No. 133" ("SFAS 161"). SFAS 161 expands quarterly disclosure requirements about an entity's derivative instruments and hedging activities. SFAS 161 is effective for fiscal years beginning after November 15, 2008, and interim periods within those fiscal years. The Company is currently assessing the impact of SFAS 161 on its consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS No. 162"). SFAS No. 162 identifies the sources of accounting principles and the framework for selecting the principles used in the preparation of financial statements. SFAS No. 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles". The implementation of this standard will not have a material impact on our consolidated financial statements.

In May 2008, the FASB issued FASB Staff Position No. APB 14-1 ("FSP"). The FSP specifies that issuers of convertible debt instruments that permit or require the issuer to pay cash upon conversion should separately account for the liability and equity components in a manner that will reflect the entity's nonconvertible debt borrowing rate when interest cost is recognized in subsequent periods. The Company will need to apply the guidance retrospectively to all past periods presented. The FSP is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those fiscal years. This FSP is applicable to our $150 million 2.50% senior subordinated convertible notes. We are currently assessing the impact the adoption of FSP APB 14-1 will have on our consolidated financial statements.

Note 14 – Business acquisition

On January 9, 2008, we purchased our Italian distributor's business for approximately $21.8 million in cash (the "Italy acquisition"). Under the terms of the acquisition agreement, we agreed to pay additional consideration in 2009 based upon the 2008 results of the acquired business.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed as a result of the Italy acquisition. The allocation of purchase price is preliminary and therefore subject to adjustment in future periods.

Cash	$ 953
Inventory	3,444
Accounts receivable	19,701
Other assets	846
Customer relationships	8,911
Total assets acquired	33,855
Income taxes payable	(2,443)
Other current liabilities	(9,658)
Total liabilities assumed	(12,101)
Net assets acquired	$ 21,754

The Italy acquisition did not have a material impact on our results of operations or earnings per share in the quarterly and nine month periods ended September 30, 2008.

Note 15 – Restructuring

During the second quarter of 2008, we announced a plan to restructure certain of our operations. The restructuring plan includes the closure of two manufacturing facilities located in the Utica, New York area totaling approximately 200,000 square feet with manufacturing to be transferred into either our Corporate headquarters location in Utica, New York or into a newly constructed leased manufacturing facility in Chihuahua, Mexico. In addition, manufacturing presently done by a contract manufacturing facility in Juarez, Mexico will be transferred in-house to the Chihuahua facility. Finally, certain domestic distribution activities will be centralized in a new leased consolidated distribution center in Atlanta, Georgia. We believe our restructuring plan will reduce our cost base by consolidating our Utica, New York operations into a single facility and expanding our lower cost Mexican operations, as well as improve service to our customers by shipping orders from more centralized distribution centers. The transition of manufacturing operations and consolidation of distribution activities began in the third quarter of 2008 and is expected to be largely completed by the fourth quarter of 2009.

In conjunction with our restructuring plan, we considered Statement of Financial Accounting Standards No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 144 requires that long-lived assets be tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Based on the announced restructuring plan, our current expectation is that it is more likely than not, that the two manufacturing facilities located in the Utica, New York area scheduled to be closed as a result of the restructuring plan, will be sold prior to the end of their previously estimated useful lives. Even though we expect to sell these facilities prior to the end of their useful lives, we do not believe that at present we meet the criteria contained within SFAS 144 to designate these assets as held for sale and accordingly we have tested them for impairment under the guidance for long-lived assets to be held and used. We performed our impairment testing on the two manufacturing facilities scheduled to close under the restructuring plan by comparing future cash flows expected to be generated by these facilities (undiscounted and without interest charges) against their carrying amounts ($2.2 million and $2.9 million, respectively, as of September 30, 2008). Since future cash flows expected to be generated by these facilities exceeds their carrying amounts, we do not believe any impairment exists at this time. However, we cannot be certain an impairment charge will not be taken in the future when the facilities are no longer in use.

During the third quarter of 2008, we incurred $0.7 million in costs associated with the restructuring. We cannot currently estimate the total cost of the restructuring plan as details of the plan are still being finalized, however we do not believe such costs will have a material impact on our financial condition, results of operations or cash flows. During the execution of our restructuring plan, we will incur certain charges, including employee termination and other exit costs. However, based on the criteria contained within Statement of Financial Accounting Standards No. 146 "Accounting for Costs Associated with Exit or Disposal Activities", no accrual for such costs has been made at this time. The restructuring plan impacts Corporate manufacturing and distribution facilities which support multiple reporting segments. As a result, any costs associated with the restructuring plan will be reflected in the Corporate line within our business segment reporting.

Item 2. **MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS**

Forward-Looking Statements

In this Report on Form 10-Q, we make forward-looking statements about our financial condition, results of operations and business. Forward-looking statements are statements made by us concerning events that may or may not occur in the future. These statements may be made directly in this document or may be "incorporated by reference" from other documents. Such statements may be identified by the use of words such as "anticipates", "expects", "estimates", "intends" and "believes" and variations thereof and other terms of similar meaning.

Forward-Looking Statements are not Guarantees of Future Performance

Forward-looking statements involve known and unknown risks, uncertainties and other factors, including those that may cause our actual results, performance or achievements, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include those identified under "Risk Factors" in our Annual Report on Form 10-K for the year-ended December 31, 2007 and the following, among others:

- general economic and business conditions;
- cyclical customer purchasing patterns due to budgetary and other constraints;
- changes in customer preferences;
- competition;
- changes in technology;
- the ability to evaluate, finance and integrate acquired businesses, products and companies;
- the introduction and acceptance of new products;
- changes in business strategy;
- the availability and cost of materials;
- the possibility that United States or foreign regulatory and/or administrative agencies may initiate enforcement actions against us or our distributors;
- future levels of indebtedness and capital spending;
- changes in foreign exchange and interest rates;
- quality of our management and business abilities and the judgment of our personnel;
- the risk of litigation, especially patent litigation as well as the cost associated with patent and other litigation;
- changes in regulatory requirements; and
- the availability, terms and deployment of capital.

See "Management's Discussion and Analysis of Financial Condition and Results of Operations" below and "Risk Factors" and "Business" in our Annual Report on Form

10-K for the year-ended December 31, 2007 for a further discussion of these factors. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. We do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this Quarterly Report on Form 10-Q or to reflect the occurrence of unanticipated events.

Overview:

CONMED Corporation ("CONMED", the "Company", "we" or "us") is a medical technology company with six principal product lines. These product lines and the percentage of consolidated revenues associated with each, are as follows:

	Three months ended September 30,		Nine months ended September 30,	
	2007	2008	2007	2008
Arthroscopy	35.8%	38.7%	36.8%	39.4%
Powered Surgical Instruments	22.1	21.6	21.8	21.1
Patient Care	11.3	10.5	11.1	10.5
Electrosurgery	14.0	13.2	13.7	13.5
Endosurgery	9.3	8.8	8.8	8.6
Endoscopic Technologies	7.5	7.2	7.8	6.9
Consolidated Net Sales	100.0%	100.0%	100.0%	100.0%

A significant amount of our products are used in surgical procedures with the majority of our revenues derived from the sale of disposable products. We manufacture substantially all of our products in facilities located in the United States, Mexico, and Finland. We market our products both domestically and internationally directly to customers and through distributors. International sales represent a significant portion of our business. During the three and nine months ended September 30, 2008, sales to purchasers outside of the United States accounted for 42.9% and 44.7%, respectively, of total net sales.

Business Environment and Opportunities

The aging of the worldwide population along with lifestyle changes, continued cost containment pressures on healthcare systems and the desire of clinicians and administrators to use less invasive (or noninvasive) procedures are important trends which are driving the growth in our industry. We believe that with our broad product offering of high quality surgical and patient care products, we can capitalize on this growth for the benefit of the Company and our shareholders.

In order to further our growth prospects, we have historically used strategic business acquisitions and exclusive distribution relationships to continue to diversify our product offerings, increase our market share and realize economies of scale.

We have a variety of research and development initiatives focused in each of our principal product lines. Among the most significant of these efforts is the Endotracheal Cardiac Output Monitor ("ECOM"). Our ECOM product offering is expected to provide an innovative alternative to catheter monitoring of cardiac output with a specially designed endotracheal tube which utilizes proprietary bio-impedance technology. Also of significance are our research and development efforts in the

area of tissue-sealing for electrosurgery.

Continued innovation and commercialization of new proprietary products and processes are essential elements of our long-term growth strategy. In March 2008, we unveiled several new products at the American Academy of Orthopaedic Surgeons Annual Meeting which we believe will further enhance our arthroscopy and powered surgical instrument product offerings. Our reputation as an innovator is exemplified by these product introductions, which include the following: the Spectrum® MVP™ Shoulder Suture Passer, an innovative suture passing device for arthroscopic shoulder repair; the Sentinel™ Drill Bit which allows for safe and accurate drilling into the femoral tunnels during anterior cruciate ligament, or ACL, surgery; the Shutt® Series 210™ Instruments for Hip Arthroscopy, manual instruments which allow for working in deep joints such as the hip; EL Microfracture Awls and Sterilization Tray which allow for easier access in difficult-to-reach areas and for use in hip arthroscopy; Smart Screw® II, a comprehensive line of bioabsorbable bone fixation implants; ThRevo® with HiFi, a shoulder anchor that incorporates the advantage of the HiFi high strength suture; PRO7020 Cordless Revision Attachment for Battery Handpieces, which are the only cordless revision attachments on the market and are used for cement removal in orthopedic revision surgery; Intrex™ Blade Line, a blade system composed of six blade profiles in seven different thicknesses for a comprehensive system of large bone saw blades; HD Arthroscope, the first high definition, or HD, arthroscope on the market ensures maximized transmission of high contrast light from the arthroscope into the True HD camera head; and the Single Chip Enhanced Definition Camera System, which incorporates a camera and image capture in the same device; and the HD Lightsource.

Business Challenges

Our Endoscopic Technologies operating segment has suffered from sales declines and operating losses since its acquisition from C.R. Bard in September 2004. We have corrected the operational issues associated with product shortages that resulted following the acquisition of the Endoscopic Technologies business and continue to reduce costs while also investing in new product development in an effort to increase sales and ensure a return to profitability.

Our facilities are subject to periodic inspection by the United States Food and Drug Administration ("FDA") and foreign regulatory agencies for, among other things, conformance to Quality System Regulation and Current Good Manufacturing Practice ("CGMP") requirements. We are committed to the principles and strategies of systems-based quality management for improved CGMP compliance, operational performance and efficiencies through our Company-wide quality systems initiative. However, there can be no assurance that our actions will ensure that we will not receive a warning letter or other regulatory action which may include consent decrees or fines.

Critical Accounting Estimates

Preparation of our financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Note 1 to the consolidated financial statements in our Annual Report on Form 10-K for the year-ended December 31, 2007 describes the significant accounting policies used in preparation of the consolidated financial statements. The most significant areas involving management judgments and estimates are described below and are considered by management to be critical to understanding the financial condition and results of operations of CONMED Corporation. There have been no significant changes in our critical accounting estimates during the third quarter of 2008.

Revenue Recognition

Revenue is recognized when title has been transferred to the customer which is at the time of shipment. The following policies apply to our major categories of revenue transactions:

- Sales to customers are evidenced by firm purchase orders. Title and the risks and rewards of ownership are transferred to the customer when product is shipped under our stated shipping terms. Payment by the customer is due under fixed payment terms.
- We place certain of our capital equipment with customers in return for commitments to purchase disposable products over time periods generally ranging from one to three years. In these circumstances, no revenue is recognized upon capital equipment shipment and we recognize revenue upon the disposable product shipment. The cost of the equipment is amortized over the term of individual commitment agreements.
- Product returns are only accepted at the discretion of the Company and in accordance with our "Returned Goods Policy". Historically the level of product returns has not been significant. We accrue for sales returns, rebates and allowances based upon an analysis of historical customer returns and credits, rebates, discounts and current market conditions.
- Our terms of sale to customers generally do not include any obligations to perform future services. Limited warranties are provided for capital equipment sales and provisions for warranty are provided at the time of product sale based upon an analysis of historical data.
- Amounts billed to customers related to shipping and handling have been included in net sales. Shipping and handling costs are included in selling and administrative expense.
- We sell to a diversified base of customers around the world and, therefore, believe there is no material concentration of credit risk.
- W e assess the risk of loss on accounts receivable and adjust the allowance for doubtful accounts based on this risk assessment. Historically, losses on accounts receivable have not been material. Management believes that the allowance for doubtful accounts of $1.1 million at September 30, 2008 is adequate to provide for probable losses resulting from accounts receivable.

Inventory Reserves

We maintain reserves for excess and obsolete inventory resulting from the inability to sell our products at prices in excess of current carrying costs. The markets in which we operate are highly competitive, with new products and surgical procedures introduced on an on-going basis. Such marketplace changes may result in our products becoming obsolete. We make estimates

regarding the future recoverability of the costs of our products and record a provision for excess and obsolete inventories based on historical experience, expiration of sterilization dates and expected future trends. If actual product life cycles, product demand or acceptance of new product introductions are less favorable than projected by management, additional inventory write-downs may be required. We believe that our current inventory reserves are adequate.

Business Acquisitions

We have a history of growth through acquisitions. Assets and liabilities of acquired businesses are recorded under the purchase method of accounting at their estimated fair values as of the date of acquisition. Goodwill represents costs in excess of fair values assigned to the underlying net assets of acquired businesses. Other intangible assets primarily represent allocations of purchase price to identifiable intangible assets of acquired businesses. We have accumulated goodwill of $290.2 million and other intangible assets of $196.8 million as of September 30, 2008.

In accordance with Statement of Financial Accounting Standards No. 142, "Goodwill and Other Intangible Assets" ("SFAS 142"), goodwill and intangible assets deemed to have indefinite lives are not amortized, but are subject to at least annual impairment testing. It is our policy to perform our annual impairment testing in the fourth quarter. The identification and measurement of goodwill impairment involves the estimation of the fair value of our businesses. Estimates of fair value are based on the best information available as of the date of the assessment, which primarily incorporate management assumptions about expected future cash flows and contemplate other valuation techniques. Future cash flows may be affected by changes in industry or market conditions or the rate and extent to which anticipated synergies or cost savings are realized with newly acquired entities.

Intangible assets with a finite life are amortized over the estimated useful life of the asset. SFAS 142 requires that intangible assets which continue to be subject to amortization be evaluated each reporting period to determine whether events and circumstances warrant a revision to the remaining period of amortization. SFAS 142 also requires that intangible assets subject to amortization be reviewed for impairment in accordance with Statement of Financial Accounting Standards No. 144, "Accounting for the Impairment or Disposal of Long-Lived Assets," ("SFAS 144"). SFAS 144 requires that intangible assets subject to amortization be tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. The carrying amount of an intangible asset subject to amortization is not recoverable if it exceeds the sum of the undiscounted cash flows expected to result from the use of the asset. An impairment loss is recognized by reducing the carrying amount of the intangible asset to its current fair value.

Customer relationship assets arose principally as a result of the 1997 acquisition of Linvatec Corporation. These assets represent the acquisition date fair value of existing customer relationships based on the after-tax income expected to be derived during their estimated remaining useful life. The useful lives of these customer relationships were not and are not limited by contract or any economic, regulatory or other known factors. The estimated useful life of the Linvatec customer relationship assets was determined as of the date of acquisition as a result of a study of the observed pattern of historical revenue attrition during the 5 years immediately preceding the acquisition of Linvatec Corporation.

This observed attrition pattern was then applied to the existing customer relationships to derive the future expected retirement of the customer relationships. This analysis indicated an annual attrition rate of 2.6%. Assuming an exponential attrition pattern, this equated to an average remaining useful life of approximately 38 years for the Linvatec customer relationship assets. Customer relationship intangible assets arising as a result of other business acquisitions are being amortized over a weighted average life of 18 years. The weighted average life for customer relationship assets in aggregate is 35 years.

In accordance with SFAS 142, we evaluate the remaining useful life of our customer relationship intangible assets each reporting period in order to determine whether events and circumstances warrant a revision to the remaining period of amortization. In order to further evaluate the remaining useful life of our customer relationship intangible assets, we perform an annual analysis and assessment of actual customer attrition and activity. This assessment includes a comparison of customer activity since the acquisition date and review of customer attrition rates. In the event that our analysis of actual customer attrition rates indicates a level of attrition that is in excess of that which was originally contemplated, we would change the estimated useful life of the related customer relationship asset with the remaining carrying amount amortized prospectively over the revised remaining useful life.

SFAS 144 requires that we test our customer relationship assets for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Factors specific to our customer relationship assets which might lead to an impairment charge include a significant increase in the annual customer attrition rate or otherwise significant loss of customers, significant decreases in sales or current-period operating or cash flow losses or a projection or forecast of losses. We do not believe that there have been events or changes in circumstances which would indicate the carrying amount of our customer relationship assets might not be recoverable.

Pension Plan

We sponsor a defined benefit pension plan covering substantially all our United States-based employees. Major assumptions used in accounting for the plan include the discount rate, expected return on plan assets, rate of increase in employee compensation levels and expected mortality. Assumptions are determined based on Company data and appropriate market indicators, and are evaluated annually as of the plan's measurement date. A change in any of these assumptions would have an effect on net periodic pension costs reported in the consolidated financial statements.

The discount rate was determined by using the Citigroup Pension Liability Index rate which, we believe, is a reasonable indicator of our plan's future benefit payment stream. This rate, which increased from 5.90% in 2007 to 6.48% in 2008, is used in determining pension expense. This change in assumption will result in lower pension expense during 2008.

We have used an expected rate of return on pension plan assets of 8.0% for purposes of determining the net periodic pension benefit cost. In determining the expected return on pension plan assets, we consider the relative weighting of plan assets, the historical performance of total plan assets and individual asset classes and economic and other indicators of future performance. In addition, we consult with financial and investment management professionals in developing appropriate targeted rates of return.

We have estimated our rate of increase in employee compensation levels at 3.0% consistent with our internal budgeting.

Based on these and other factors, 2008 pension expense is estimated at approximately $6.7 million compared to $6.9 million in 2007. Actual expense may vary significantly from this estimate. For the three and nine months period ended September 30, 2008 we recorded $1.7 million and $5.0 million, respectively, in pension expense.

Stock Based Compensation

In accordance with Statement of Financial Accounting Standards No. 123 (revised 2004), "Share-Based Payment" ("SFAS 123R") all share-based payments to employees, including grants of employee stock options, restricted stock units, and stock appreciation rights are recognized in the financial statements based on their fair values. Compensation expense is recognized using a straight-line method over the vesting period.

Income Taxes

The recorded future tax benefit arising from net deductible temporary differences and tax carryforwards is approximately $24.9 million at September 30, 2008. Management believes that our earnings during the periods when the temporary differences become deductible will be sufficient to realize the related future income tax benefits.

We operate in multiple taxing jurisdictions, both within and outside the United States. We face audits from these various tax authorities regarding the amount of taxes due. Such audits can involve complex issues and may require an extended period of time to resolve. The Internal Revenue Service ("IRS") has completed examinations of our United States federal income tax returns through 2006. Tax years subsequent to 2006 are subject to future examination.

We have established a valuation allowance to reflect the uncertainty of realizing the benefits of certain net operating loss carryforwards recognized in connection with an acquisition. Any subsequently recognized tax benefits associated with the valuation allowance would be allocated to reduce goodwill. However, upon adoption of Statement of Financial Accounting Standards No. 141 (revised 2007), "Business Combinations" ("SFAS 141R") on January 1, 2009, changes in deferred tax valuation allowances and income tax uncertainties after the acquisition date, including those associated with acquisitions that closed prior to the effective date of SFAS 141R, generally will affect income tax expense. In assessing the need for a valuation allowance, we estimate future taxable income, considering the feasibility of ongoing tax planning strategies and the realizability of tax loss carryforwards. Valuation allowances related to deferred tax assets may be impacted by changes to tax laws, changes to statutory tax rates and ongoing and future taxable income levels.

Results of Operations

The following table presents, as a percentage of net sales, certain categories included in our consolidated statements of income for the periods indicated:

	Three months ended September 30,		Nine months ended September 30,	
	2007	2008	2007	2008
Net sales	100.0%	100.0%	100.0%	100.0%
Cost of sales	49.9	47.2	49.8	47.9
Gross profit	50.1	52.8	50.2	52.1
Selling and administrative expense	35.0	37.8	34.8	36.6
Research and development expense	4.8	4.8	4.6	4.5
Other expense	0.0	0.4	(0.8)	0.1
Income from operations	10.3	9.8	11.6	10.9
Interest expense	2.3	1.4	2.5	1.4
Income before income taxes	8.0	8.4	9.1	9.5
Provision for income taxes	2.9	2.6	3.3	3.4
Net income	5.1%	5.8%	5.8%	6.1%

Three months ended September 30, 2008 compared to three months ended September 30, 2007

Sales for the quarter ended September 30, 2008 were $179.4 million, an increase of $15.0 million (9.1%) compared to sales of $164.4 million in the same period a year ago. Favorable foreign currency exchange rates (when compared to the foreign currency exchange rates in the same period a year ago) increased sales by approximately $1.3 million while the purchase of our Italian distributor accounted for an increase in sales of approximately $3.7 million (see Note 14 to the Consolidated Condensed Financial Statements).

Cost of sales increased to $84.7 million in the quarter ended September 30, 2008 as compared to $82.1 million in the same period a year ago on overall increased sales volumes. Gross profit margins increased to 52.8% in the quarter ended September 30, 2008 as compared to 50.1% in the same period a year ago. The increase of 2.7 percentage points is comprised of favorable foreign exchange rates (0.4 percentage points), the newly acquired direct sales operation in Italy (0.9 percentage points), and increases in Patient Care and Linvatec gross margins (0.4 and 1.0 percentage points, respectively) as a result of higher selling prices and improved manufacturing efficiencies.

Selling and administrative expense increased to $67.8 million in the quarter ended September 30, 2008 as compared to $57.5 million in the same period a year ago. Selling and administrative expense as a percentage of net sales increased 2.8 percentage points to 37.8% in the quarter ended September 30, 2008 as compared to 35.0% in the same period a year ago. The increase of 2.8 percentage points is primarily attributable to higher selling and administrative expense associated with our newly acquired direct sales operation in Italy (1.7 percentage points) and increased selling and administrative costs resulting from the impact of foreign exchange rates (1.5 percentage points) offset by lower other selling and administrative costs (0.4 percentage points).

Research and development expense totaled $8.7 million in the quarter ended September 30, 2008 as compared to $7.9 million in the same period a year ago. As a percentage of net sales, research and development expense remained flat at 4.8% in the quarter ended September 30, 2008, as compared to 4.8% in the same period a year ago.

As discussed in Note 10 to the Consolidated Condensed Financial Statements, other expense in the quarter ended September 30, 2008 consisted of $0.7 million in costs related to the restructuring and relocation of certain of the Company's manufacturing facilities.

Interest expense in the quarter ended September 30, 2008 was $2.4 million compared to $3.9 million in the same period a year ago. The decrease in interest expense is due primarily to lower weighted average borrowings outstanding in the quarter ended September 30, 2008 as compared to the same period a year ago. Also contributing to the decrease in interest expense were lower weighted average interest rates on our borrowings (inclusive of the finance charge on our accounts receivable sale facility) which declined to 3.60% for the quarter ended September 30, 2008 as compared to 5.18% in the same period a year ago.

A provision for income taxes has been recorded at an effective tax rate of 30.3% for the quarter ended September 30, 2008 compared with 36.1% recorded in the same period a year ago. Our effective tax rate for the quarter ended September 30, 2008 is lower than in the same period a year ago due to adjustments resulting from the filing of Federal and state corporate tax returns for the 2007 tax year ($0.2 million net benefit), receipt of tax refunds and related interest income attributable to the 2002 through 2004 amended Federal tax returns ($0.2 million net benefit) and changes to the deferred state tax liability to reflect state legislative changes enacted during the period along with changes in business activities that create future state tax filing liabilities ($0.5 million net benefit). A reconciliation of the United States statutory income tax rate to our effective tax rate is included in our Annual Report on Form 10-K for the year-ended December 31, 2007, Note 7 to the Consolidated Financial Statements.

Nine months ended September 30, 2008 compared to nine months ended September 30, 2007

Sales for the nine months ended September 30, 2008 were $562.9 million, an increase of $58.2 million (11.5%) compared to sales of $504.7 million in the same period a year ago. Favorable foreign currency exchange rates (when compared to the foreign currency exchange rates in the same period a year ago) increased sales by approximately $12.6 million while the purchase of our Italian distributor accounted for an increase in sales of approximately $13.6 million (see Note 14 to the Consolidated Condensed Financial Statements).

Cost of sales increased to $269.6 million in the nine months ended September 30, 2008 as compared to $251.3 million in the same period a year ago on overall increased sales volumes. Gross profit margins increased to 52.1% in the nine months ended September 30, 2008 as compared to 50.2% in the same period a year ago. The increase of 1.9 percentage points is comprised of favorable foreign exchange rates (1.1 percentage points) and the newly acquired direct sales operation in Italy (1.3 percentage points) offset by product mix (0.1 percentage points) and lower gross margins in our Endoscopic Technologies business (0.4 percentage points) due to pricing pressures and lower production volumes.

Selling and administrative expense increased to $206.0 million in the nine months ended September 30, 2008 as compared to $175.5 million in the same period a year ago. Selling and administrative expense as a percentage of sales increased 1.8 percentage points to 36.6% in the nine months ended September 30, 2008 as compared to 34.8% in the same period a year ago.

The increase of 1.8 percentage points is primarily attributable to higher selling and administrative expense associated with our newly acquired direct sales operation in Italy (1.4 percentage points), increased benefit costs (0.1 percentage points) and other increases in selling and administrative costs (0.3 percentage points).

Research and development expense totaled $25.4 million in the nine months ended September 30, 2008 as compared to $23.0 million in the same period a year ago. As a percentage of net sales, research and development expense remained flat at 4.5% in the nine months ended September 30, 2008, as compared to 4.6% in the same period a year ago.

As discussed in Note 10 to the Consolidated Condensed Financial Statements, other expense (income) in the nine months ended September 30, 2008 consisted of $0.7 million in costs related to the restructuring and relocation of certain of the Company's facilities. In the nine months ended September 30, 2007 other expense (income) consisted of a $1.8 million charge related to the closing of our manufacturing facility in Montreal, Canada and a sales office in France, a $0.1 million charge related to the termination of our surgical lights product offering, and $6.1 million in income related to the settlement of the antitrust case with Johnson & Johnson.

Interest expense in the nine months ended September 30, 2008 was $8.1 million compared to $12.7 million in the same period a year ago. The decrease in interest expense is due to lower weighted average borrowings outstanding and weighted average interest rates in the nine months ended September 30, 2008 as compared to the same period a year ago. The weighted average interest rates on our borrowings (inclusive of the finance charge on our accounts receivable sale facility) decreased to 3.70% in the nine months ended September 30, 2008 as compared to 5.47% in the same period a year ago.

A provision for income taxes has been recorded at an effective tax rate of 36.1% for the nine months ended September 30, 2008 and for the same period a year ago. A reconciliation of the United States statutory income tax rate to our effective tax rate is included in our Annual Report on Form 10-K for the year-ended December 31, 2007, Note 7 to the Consolidated Financial Statements.

Operating Segment Results:

Segment information is prepared on the same basis that we review financial information for operational decision-making purposes. We conduct our business through five principal operating segments: CONMED Endoscopic Technologies, CONMED Endosurgery, CONMED Electrosurgery, CONMED Linvatec and CONMED Patient Care. Based upon the aggregation criteria for segment reporting under Statement of Financial Accounting Standards No. 131 "Disclosures about Segments of an Enterprise and Related Information" (SFAS 131"), we have grouped our CONMED Endosurgery, CONMED Electrosurgery and CONMED Linvatec operating segments into a single reporting segment. The economic characteristics of CONMED Patient Care and CONMED Endoscopic Technologies do not meet the criteria for aggregation due to the lower overall operating income (loss) of these segments.

The following tables summarize the Company's results of operations by reportable segment for the three and nine months ended September 30, 2007 and 2008.

CONMED Endosurgery, CONMED Electrosurgery and CONMED Linvatec

	Three months ended September 30,		Nine months ended September 30,	
	2007	2008	2007	2008
Net sales	$ 133,366	$ 147,645	$ 409,290	$ 465,243
Income from operations	18,229	21,513	61,938	76,688
Operating Margin	13.7%	14.6%	15.1%	16.5%

Product offerings include a complete line of endo-mechanical instrumentation for minimally invasive laparoscopic procedures, electrosurgical generators and related surgical instruments, arthroscopic instrumentation for use in orthopedic surgery and small bone, large bone and specialty powered surgical instruments.

- Arthroscopy sales increased $10.7 million (18.2%) in the quarter ended September 30, 2008 to $69.5 million from $58.8 million in the same period a year ago. Arthroscopy sales increased $35.7 million (19.2%) in the nine months ended September 30, 2008 to $221.7 million from $186.0 million in the same period a year ago. These increases are principally a result of increased sales of our procedure specific, resection and video imaging products for arthroscopy and general surgery.

- Powered surgical instrument sales increased $2.5 million (6.9%) in the quarter ended September 30, 2008 to $38.8 million from $36.3 million in the same period a year ago. Powered surgical instrument sales increased $9.2 million (8.4%) in the nine months ended September 30, 2008 to $119.1 million from $109.9 million in the same period a year ago. These increases are principally a result of increased sales of our large bone and small bone handpieces, burs and blades.

- Electrosurgery sales increased $0.6 million (2.7%) in the quarter ended September 30, 2008 to $23.6 million from $22.9 million in the same period a year ago. Electrosurgery sales increased $7.1 million (10.3%) in the nine months ended September 30, 2008 to $76.2 million from $69.1 million in the same period a year ago. These increases are principally a result of increased sales of our System 5000™ electrosurgical generators, ABC® handpieces and pencils.

- Endosurgery sales increased $0.5 million (3.2%) in the quarter ended September 30, 2008 to $15.8 million from $15.3 million in the same period a year ago. Endosurgery sales increased $3.9 million (8.9%) in the nine months ended September 30, 2008 to $48.2 million from $44.3 million. These increases are principally a result of increased sales of V-CARE, ligation, and suction irrigation products.

- Operating margins as a percentage of net sales increased 0.9 percentage points to 14.6% in the quarter ended September 30, 2008 compared to 13.7% in 2007 while operating margins increased 1.4 percentage points to 16.5% in the nine months ended September 30, 2008 compared to 15.1% in the same period a year ago. The increase in operating margin in the quarter ended September 30, 2008 is due to increases in gross margin of 2.8 percentage points compared to the same period a year ago as a result of favorable foreign exchange rates, the newly acquired direct sales operation in Italy, and improved manufacturing efficiencies offset by higher selling and administrative expense associated with the direct sales operation in Italy (1.9 percentage points).

The increase in operating margin in the nine months ended September 30, 2008 is due to increases in gross margin of 2.3 percentage points compared to the same period a year ago as a result of favorable foreign exchange rates and the newly acquired direct operations in Italy, lower research and development spending (0.3 percentage points), and other decreases in selling and administrative costs (0.4 percentage points) offset by higher selling and administrative expense associated with the newly acquired direct sales operation in Italy (1.6 percentage points).

CONMED Patient Care

	Three months ended September 30,		Nine months ended September 30,	
	2007	2008	2007	2008
Net sales	$ 18,546	$ 18,800	$ 56,222	$ 58,918
Income from operations	1,110	854	872	1,997
Operating Margin	6.0%	4.5%	1.6%	3.4%

Product offerings include a line of vital signs and cardiac monitoring products including pulse oximetry equipment and sensors, ECG electrodes and cables, cardiac defibrillation and pacing pads and blood pressure cuffs. We also offer a complete line of reusable surgical patient positioners and suction instruments and tubing for use in the operating room, as well as a line of IV products.

- Patient Care sales increased $0.3 million (1.4%) in the quarter ended September 30, 2008 to $18.8 million from $18.5 million in the same period a year ago. Patient care sales increased $2.7 million (4.8%) in the nine months ended September 30, 2008 to $58.9 million from $56.2 million in the same period a year ago. These increases are principally a result of increased sales of our defibrillator pads and ECG electrodes.

- Operating margins as a percentage of net sales decreased 1.5 percentage points in the quarter ended September 30, 2008 to 4.5% from 6.0% in the same period a year ago while operating margins increased 1.8 percentage points for the nine months ended September 30, 2008 to 3.4% from 1.6% in the same period a year ago. The decrease in operating margins in the quarter ended September 30, 2008 is mainly driven by higher research and development spending (2.8 percentage points) mainly due to our Endotracheal Cardiac Output Monitor ("ECOM") project and higher selling and administrative costs (2.9 percentage points) offset by improved gross margins of (4.2 percentage points) due to higher selling prices and lower production variances. The increase in operating margins for the nine months ended September 30, 2008 compared to the same period a year ago are primarily due to increases in gross margins (4.1 percentage points) as a result of higher selling prices, offset by higher selling, administrative and research and development costs (2.3 percentage points).

CONMED Endoscopic Technologies

	Three months ended September 30,		Nine months ended September 30,	
	2007	2008	2007	2008
Net sales	$ 12,536	$ 12,964	$ 39,208	$ 38,776
Loss from operations	(1,449)	(1,764)	(5,092)	(6,609)
Operating Margin	(11.6%)	(13.6%)	(13.0%)	(17.0%)

Product offerings include a comprehensive line of minimally invasive endoscopic diagnostic and therapeutic instruments used in procedures which require examination of the digestive tract.

- Endoscopic Technologies sales increased $0.4 million (3.4%) in the quarter ended September 30, 2008 to $13.0 million from $12.5 million in the same period a year ago. These increases are principally a result of increased sales of our polypectomy and stricture management products. Endoscopic Technologies sales decreased $0.4 million (1.1%) in the nine months ended September 30, 2008 to $38.8 million from $39.2 million in the same period a year ago. These decreases are principally a result of decreased sales of forceps and pulmonary products as a result of strong competition and pricing pressures.

- Operating margins as a percentage of net sales decreased 2.0 percentage points to -13.6% in the quarter ended September 30, 2008 compared to -11.6% in the same period a year ago while operating margins decreased 4.0 percentage points to -17.0% for the nine months ended September 30, 2008 compared to -13.0% in the same period a year ago. The decrease in operating margin in the quarter ended September 30, 2008 is primarily due to decreases in gross margins of 2.6 percentage points due to competition and pricing pressures as well as higher selling and administrative expenses as a percentage of sales (1.1 percentage points) offset by decreased research and development spending as a percentage of sales (1.7 percentage points). The decrease in operating margin for the nine months ended September 30, 2008 of 4.0 percentage points is primarily due to decreases in gross margins (6.4 percentage points) and increased selling, administrative, research and development expenses (1.5 percentage points) offset by the charge in the nine months ended September 30, 2007 associated with the closure of a sales office in France (3.9 percentage points).

Liquidity and Capital Resources

Our liquidity needs arise primarily from capital investments, working capital requirements and payments on indebtedness under the senior credit agreement. We have historically met these liquidity requirements with funds generated from operations, including sales of accounts receivable and borrowings under our

revolving credit facility. In addition, we use term borrowings, including borrowings under our senior credit agreement and borrowings under separate loan facilities, in the case of real property purchases, to finance our acquisitions. Subject to market conditions, we also have the ability to raise funds through the sale of stock or we may issue debt through a private placement or public offering. We generally attempt to minimize our cash balances on-hand and use available cash to pay down debt or repurchase our common stock.

Cash provided by operations

Our net working capital position was $235.2 million at September 30, 2008. Net cash provided by operating activities was $55.8 million in the nine months ended September 30, 2008 and $35.5 million in the same period a year ago.

Net cash provided by operating activities increased by $20.4 million in 2008 as compared to 2007 as improved working capital management resulted in lower growth in inventories as compared to the same period a year ago as we expand our lean manufacturing initiatives.

Investing cash flows

Net cash used in investing activities in the nine month period ended September 30, 2008 consisted of capital expenditures and $21.8 million paid in connection with the purchase of our Italian distributor (the "Italy acquisition"). See Note 14 to the Consolidated Condensed Financial Statements for further discussion of the Italy acquisition. Capital expenditures were $21.9 million and $16.0 million for the nine months ended September 30, 2008 and 2007, respectively. The increase in capital expenditures in the nine month period ended September 30, 2008 as compared to the same period a year ago is primarily due to the ongoing implementation of an enterprise business software application as well various other infrastructure improvements.

Financing cash flows

Net cash provided by financing activities in the nine months ended September 30, 2008 consisted primarily of the following: $7.0 million in proceeds from the issuance of common stock under our equity compensation plans and employee stock purchase plan, $1.0 million in repayments of term borrowings under our senior credit agreement and $0.3 million in repayments of our mortgage notes.

Our $235.0 million senior credit agreement (the "senior credit agreement") consists of a $100.0 million revolving credit facility and a $135.0 million term loan. There were no borrowings outstanding on the revolving credit facility as of September 30, 2008. Our available borrowings on the revolving credit facility at September 30, 2008 were $95.0 million with approximately $5.0 million of the facility set aside for outstanding letters of credit. There were $58.0 million in borrowings outstanding on the term loan at September 30, 2008.

The scheduled principal payments on the term loan portion of the amended and restated senior credit agreement are $1.4 million annually through December 2011, increasing to $53.6 million in 2012 with the remaining balance outstanding due and payable on April 12, 2013. We may also be required, under certain circumstances, to make additional principal payments based on excess cash

flow as defined in the senior credit agreement. Interest rates on the term loan portion of the senior credit agreement are at LIBOR plus 1.50% (5.20% at September 30, 2008) or an alternative base rate; interest rates on the revolving credit facility portion of the senior credit agreement are at LIBOR plus 1.375% or an alternative base rate. For those borrowings where the Company elects to use the alternative base rate, the base rate will be the greater of the Prime Rate or the Federal Funds Rate in effect on such date plus 0.50%, plus a margin of 0.50% for term loan borrowings or 0.25% for borrowings under the revolving credit facility.

The senior credit agreement is collateralized by substantially all of our personal property and assets, except for our accounts receivable and related rights which are pledged in connection with our accounts receivable sales agreement. The senior credit agreement contains covenants and restrictions which, among other things, require the maintenance of certain financial ratios, and restrict dividend payments and the incurrence of certain indebtedness and other activities, including acquisitions and dispositions. We were in full compliance with these covenants and restrictions as of September 30, 2008. We are also required, under certain circumstances, to make mandatory prepayments from net cash proceeds from any issue of equity and asset sales.

Mortgage notes outstanding in connection with the property and facilities utilized by our CONMED Linvatec subsidiary consist of a note bearing interest at 7.50% per annum with semiannual payments of principal and interest through June 2009 (the "Class A note"); and a note bearing interest at 8.25% per annum compounded semiannually through June 2009, after which semiannual payments of principal and interest will commence, continuing through June 2019 (the "Class C note"). The principal balances outstanding on the Class A note and Class C note aggregated $2.5 million and $11.1 million, respectively, at September 30, 2008. These mortgage notes are secured by the CONMED Linvatec property and facilities.

We have outstanding $150.0 million in 2.50% convertible senior subordinated notes (the “Notes”) due 2024. The Notes represent subordinated unsecured obligations and are convertible under certain circumstances, as defined in the bond indenture, into a combination of cash and CONMED common stock. Upon conversion, the holder of each Note will receive the conversion value of the Note payable in cash up to the principal amount of the Note and CONMED common stock for the Note’s conversion value in excess of such principal amount. Amounts in excess of the principal amount are at an initial conversion rate, subject to adjustment, of 26.1849 shares per $1,000 principal amount of the Note (which represents an initial conversion price of $38.19 per share). The Notes mature on November 15, 2024 and are not redeemable by us prior to November 15, 2011. Holders of the Notes will be able to require that we repurchase some or all of the Notes on November 15, 2011, 2014 and 2019.

Our Board of Directors has authorized a share repurchase program under which we may repurchase up to $50.0 million of our common stock in any calendar year. We did not repurchase any shares during the first nine months of 2008. We have financed the repurchases and may finance additional repurchases through the proceeds from the issuance of common stock under our stock option plans, from operating cash flow and from available borrowings under our revolving credit facility.

Management believes that cash flow from operations, including accounts receivable sales, cash and cash equivalents on hand and available borrowing capacity under our senior credit agreement will be adequate to meet our anticipated operating working capital requirements, debt service, funding of capital expenditures and common stock repurchases in the foreseeable future.

Off-balance sheet arrangements

We have an accounts receivable sales agreement pursuant to which we and certain of our subsidiaries sell on an ongoing basis certain accounts receivable to CONMED Receivables Corporation ("CRC"), a wholly-owned, bankruptcy-remote, special-purpose subsidiary of CONMED Corporation. CRC may in turn sell up to an aggregate $50.0 million undivided percentage ownership interest in such receivables (the "asset interest") to a bank (the "purchaser"). The purchaser's share of collections on accounts receivable are calculated as defined in the accounts receivable sales agreement, as amended. Effectively, collections on the pool of receivables flow first to the purchaser and then to CRC, but to the extent that the purchaser's share of collections may be less than the amount of the purchaser's asset interest, there is no recourse to CONMED or CRC for such shortfall. For receivables which have been sold, CONMED Corporation and its subsidiaries retain collection and administrative responsibilities as agent for the purchaser. As of September 30, 2008, the undivided percentage ownership interest in receivables sold by CRC to the purchaser aggregated $40.0 million, which has been accounted for as a sale and reflected in the balance sheet as a reduction in accounts receivable. Expenses associated with the sale of accounts receivable, including the purchaser's financing costs to purchase the accounts receivable were $1.4 million in the nine months ended September 30, 2008 and are included in interest expense.

There are certain statistical ratios, primarily related to sales dilution and losses on accounts receivable, which must be calculated and maintained on the pool of receivables in order to continue selling to the purchaser. The pool of receivables is in full compliance with these ratios. Management believes that additional accounts receivable arising in the normal course of business will be of sufficient quality and quantity to meet the requirements for sale under the accounts receivables sales agreement. In the event that new accounts receivable arising in the normal course of business do not qualify for sale, then collections on sold receivables will flow to the purchaser rather than being used to fund new receivable purchases. To the extent that such collections would not be available to CONMED in the form of new receivables purchases, we would need to access an alternate source of working capital, such as our $100 million revolving credit facility. Our accounts receivable sales agreement, as amended, also requires us to obtain a commitment (the "purchaser commitment") from the purchaser to fund the purchase of our accounts receivable. The purchaser commitment was amended effective December 28, 2007 whereby it was extended through October 31, 2009 under substantially the same terms and conditions.

Restructuring

During the second quarter of 2008, we announced a plan to restructure certain of our operations. The restructuring plan includes the closure of two manufacturing facilities located in the Utica, New York area totaling approximately 200,000 square feet with manufacturing to be transferred into either our Corporate headquarters location in Utica, New York or into a newly constructed leased manufacturing facility in Chihuahua, Mexico. In addition, manufacturing presently done by a contract manufacturing facility in Juarez, Mexico will be transferred in-house to the Chihuahua facility. Finally, certain domestic distribution activities will be centralized in a new leased consolidated distribution center in Atlanta, Georgia.

We believe our restructuring plan will reduce our cost base by consolidating our Utica, New York operations into a single facility and expanding our lower cost Mexican operations, as well as improve service to our customers by shipping orders from more centralized distribution centers. The transition of manufacturing operations and consolidation of distribution activities began in the third quarter of 2008 and is expected to be largely completed by the fourth quarter of 2009.

In conjunction with our restructuring plan, we considered Statement of Financial Accounting Standards No. 144 "Accounting for the Impairment or Disposal of Long-Lived Assets" ("SFAS 144"). SFAS 144 requires that long-lived assets be tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Based on the announced restructuring plan, our current expectation is that it is more likely than not, that the two manufacturing facilities located in the Utica, New York area scheduled to be closed as a result of the restructuring plan, will be sold prior to the end of their previously estimated useful lives. Even though we expect to sell these facilities prior to the end of their useful lives, we do not believe that at present we meet the criteria contained within SFAS 144 to designate these assets as held for sale and accordingly we have tested them for impairment under the guidance for long-lived assets to be held and used. We performed our impairment testing on the two manufacturing facilities scheduled to close under the restructuring plan by comparing future cash flows expected to be generated by these facilities (undiscounted and without interest charges) against their carrying amounts ($2.2 million and $2.9 million, respectively, as of September 30, 2008). Since future cash flows expected to be generated by these facilities exceeds their carrying amounts, we do not believe any impairment exists at this time. However, we cannot be certain an impairment charge will not be taken in the future when the facilities are no longer in use.

During the third quarter of 2008, we incurred $0.7 million associated with the restructuring. We cannot currently estimate the total cost of the restructuring plan as details of the plan are still being finalized, however we do not believe such costs will have a material impact on our financial condition, results of operations or cash flows. During the execution of our restructuring plan, we will incur certain charges, including employee termination and other exit costs. However, based on the criteria contained within Statement of Financial Accounting Standards No. 146 "Accounting for Costs Associated with Exit or Disposal Activities", no accrual for such costs has been made at this time. The restructuring plan impacts Corporate manufacturing and distribution facilities which support multiple reporting segments. As a result, any costs associated with the restructuring plan will be reflected in the Corporate line within our business segment reporting.

New accounting pronouncements

See Note 13 to the Consolidated Condensed Financial Statements for a discussion of new accounting pronouncements.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There have been no significant changes in our primary market risk exposures or in how these exposures are managed during the three and nine month periods ended September 30, 2008. Reference is made to Item 7A. of our Annual Report on Form 10-K for the year-ended December 31, 2007 for a description of Qualitative and Quantitative Disclosures About Market Risk.

Item 4. Controls andProcedures

An evaluation of the effectiveness of the design and operation of the Company's disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended ("Exchange Act")) was carried out under the supervision and with the participation of the Company's management, including the President and Chief Executive Officer and the Vice President-Finance and Chief Financial Officer ("the Certifying Officers") as of September 30, 2008. Based on that evaluation, the Certifying Officers concluded that the Company's disclosure controls and procedures are effective. There have been no changes in the Company's internal control over financial reporting (as such term is defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended September 30, 2008 that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II OTHER INFORMATION

Item 1. Legal Proceedings

Reference is made to Item 3 of the Company's Annual Report on Form 10-K for the year-ended December 31, 2007 and to Note 12 of the Notes to Consolidated Condensed Financial Statements included in Part I of this Report for a description of certain legal matters.

Item 6. Exhibits

Exhibits

Exhibit No.	Description of Exhibit
31.1	Certification of Joseph J. Corasanti pursuant to Rule 13a-14(a) or Rule 15d-14(a), of the Securities Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
31.2	Certification of Robert D. Shallish, Jr. pursuant to Rule 13a-14(a) or Rule 15d-14(a), of the Securities Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.
32.1	Certification of Joseph J. Corasanti and Robert D. Shallish, Jr. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.

SIGNATURES

Pursuant to the requirements 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.

CONMED CORPORATION
(Registrant)

Date: November 4, 2008

/s/ Robert D. Shallish, Jr.
Robert D. Shallish, Jr.
Vice President – Finance and
Chief Financial Officer

Exhibit Index

Exhibit		Sequential Page Number
31.1	Certification of Joseph J. Corasanti pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	E-1
31.2	Certification of Robert D. Shallish, Jr. pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act, as adopted pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.	E-2
32.1	Certification of Joseph J. Corasanti and Robert D. Shallish, Jr. pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.	E-3

Exhibit 31.1

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Joseph J. Corasanti, certify that:

1. I have reviewed this quarterly report on Form 10-Q of CONMED Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 4, 2008

/s/ Joseph J. Corasanti
Joseph J. Corasanti
President and
Chief Executive Officer

Exhibit 31.2

CERTIFICATION PURSUANT TO
SECTION 302 OF THE SARBANES-OXLEY ACT OF 2002

I, Robert D. Shallish, Jr. certify that:

1. I have reviewed this quarterly report on Form 10-Q of CONMED Corporation;

2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;

3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;

4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:

   a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;

   b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;

   c) evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and

   d) disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):

   a) all significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

November 4, 2008

/s/ Robert D. Shallish, Jr.
Robert D. Shallish, Jr.
Vice President – Finance and
Chief Financial Officer

Exhibit 32.1

CERTIFICATIONS
Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002

Pursuant to section 906 of the Sarbanes-Oxley Act of 2002 (subsections (a) and (b) of section 1350, chapter 63 of title 18, United States Code), each of the undersigned officers of CONMED Corporation, a New York corporation (the "Corporation"), does hereby certify that:

The Quarterly Report on Form 10-Q for the quarter ended September 30, 2008 (the "Form 10-Q") of the Corporation fully complies with the requirements of section 13(a) or 15(d) of the Securities Exchange Act of 1934 and information contained in the Form 10-Q fairly presents, in all material respects, the financial condition and results of operations of the Corporation.

Date: November 4, 2008

/s/ Joseph J. Corasanti
Joseph J. Corasanti
President and
Chief Executive Officer

Date: November 4, 2008

/s/ Robert D. Shallish, Jr.
Robert D. Shallish, Jr.
Vice President-Finance and
Chief Financial Officer