

## CONMED Records Previously Announced In-process Research and Development Charge

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2003 First Quarter Financials Amended to Reflect the Allocation of Purchase Price for the Bionx Business Acquired in That Period

UTICA, N.Y., Aug. 14 /PRNewswire-FirstCall/ -- CONMED Corporation (Nasdaq: CNMD) announced today that it has amended its first quarter 2003 results to reflect the allocation of the purchase price for the March 2003 acquisition of Bionx Implants, Inc. The amended results include a non-cash charge of \$7.9 million to write off in-process research and development acquired from Bionx. The charge is required to account for the value assigned to in-process research and development in the purchase transaction. An independent appraisal was recently completed to assist management in assigning values to the in-process research and development, as well as other tangible and intangible assets.

As previously disclosed, CONMED planned on recording the in-process research and development non-cash acquisition charge upon completion of the independent appraisal in the third quarter of 2003; however, the Company now believes, after careful review and in accordance with the AICPA Practice Aid "Assets Acquired In A Business Combination Used In R & D Activities," that it should record its best estimate of the allocation of the purchase price it paid for the Bionx business in the quarter in which the acquisition was consummated, rather than initially recording intangible assets in goodwill until the allocation could be finalized. Accordingly, the Company has restated its financial statements for its first quarter and first six months of 2003 to reflect that allocation. As a result, those statements reflect the estimated fair value for the acquired in-process research and development of \$7.9 million, and its write-off to expense, and also reflect the allocation of the Bionx purchase price to the rest of the assets acquired and liabilities assumed based on their estimated fair values and the appropriate amortization of those allocated amounts.

Intangible assets identified in the Bionx purchase include core/developed technology, in-process technology, customer relationships and goodwill. In accordance with FAS 142, "Accounting For Goodwill and Other Intangible Assets," goodwill will not be amortized, while core/developed technology and customer relationships will be amortized to expense over their estimated useful lives. The in-process technology (in-process research and development) has been charged to expense in accordance with FAS 2 "Accounting For Research and Development Costs" and FASB Interpretation No. 4.

For the three months ended March 31, 2003, previously reported net income of \$14.6 million, or \$0.50 per diluted share, has been adjusted to \$6.7 million, or \$0.23 per diluted share, and previously reported shareholders' equity of \$405.0 million has been adjusted to \$397.1 million.

For the six months ended June, 2003, previously reported net income of \$17.3 million, or \$0.59 per diluted share, has been adjusted to \$9.4 million, or \$0.32 per diluted share, and previously reported shareholders' equity of \$409.8 million has been adjusted to \$401.9 million.

### CONMED Profile

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

### Forward Looking Information

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

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

SOURCE CONMED Corporation

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