

CONMED Announces A Net Receipt of \$8.0 Million In the Settlement of Two Litigation Matters

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UTICA, N.Y., Mar 21, 2003 /PRNewswire-FirstCall via COMTEX/ -- CONMED Corporation (Nasdaq: CNMD) announced today that it has just settled two separate matters of litigation for a net receipt of \$8.0 million.

In the largest settlement, CONMED has received \$9.5 million from Bristol Myers-Squibb Company arising from a resolution of a contractual dispute related to the 1997 acquisition of Linvatec Corporation, the Company's sports medicine and powered surgical instrument subsidiary. The Bristol settlement, net of related legal expenses of approximately \$0.5 million, will be recorded as an after-tax gain of approximately \$5.8 million in the first quarter of 2003, equivalent to approximately \$0.20 per diluted share.

In the second matter, the Company has agreed to make a one-time payment of \$1.5 million to the Ludlow division of Tyco International Ltd. over a dispute regarding the gel used in certain of the Company's EKG electrodes. Since the Ludlow settlement occurred before the Company has issued its complete financial statements for the year 2002 with the Securities and Exchange Commission, accounting rules require that the \$1.5 million pre-tax charge, and related legal costs of \$0.5 million, together equivalent to \$1.3 million after tax, be recorded in the fourth quarter of 2002. Accordingly, the Company is revising its previously announced net income for the fourth quarter and year ended December 31, 2002. Including the aforementioned charge, net income was \$7.9 million, or \$0.27 per diluted share for the fourth quarter, and \$34.2 million, or \$1.23 per diluted share, for the full year 2002. These compare to previously announced net income of \$9.2 million, or \$0.32 per diluted share for the quarter and \$35.4 million, or \$1.27 per diluted share, for the year.

Mr. Joseph J. Corasanti, President and Chief Operating Officer of CONMED, said, "We are quite pleased to have come to resolution on both of these matters. As part of our on-going strategy to reduce our outstanding debt, we plan to use the proceeds of the settlements plus other resources to call \$15 million of our 9% bonds on May 1, 2003. These bonds became callable on March 15, 2003 at a call price of 104.5% of par. In this manner, we are reducing the highest cost debt of the Company."

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 2,500 employees distribute its products worldwide from ten manufacturing locations.

This press release contains forward-looking statements based on certain assumptions and contingencies that involve risks and uncertainties. The forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and relate to the Company's performance on a going-forward basis. The forward-looking statements in this press release involve risks and uncertainties which could cause actual results, performance or trends, including the above mentioned anticipated revenues and earnings, to differ materially from those expressed in the forward-looking statements herein or in previous disclosures. The Company believes that all forward-looking statements made by it have a reasonable basis, but there can be no assurance that management's expectations, beliefs or projections as expressed in the forward-looking statements will actually occur or prove to be correct. In addition to general industry and economic conditions, factors that could cause actual results to differ materially from those discussed in the forward-looking statements in this press release include, but are not limited to: (i) the failure of any one or more of the assumptions stated above, to prove to be correct; (ii) the risks relating to forward-looking statements discussed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 and the Prospectus dated May 22, 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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