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 Quarter Ended March 31, 2003 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 |X| No |_|

Indicate by check mark whether the registrant is an accelerated filer (as defined in Exchange Act Rule 126-2).

Yes |X| No |_|

The number of shares outstanding of registrant's common stock, as of April 28, 2003 is 28,943,210 shares.

CONMED CORPORATION

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PART I FINANCIAL INFORMATION

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

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2003
Net sales	$113,205	$ 118,034
Cost of sales	54,104	56,378
Gross profit	59,101	61,656
Selling and administrative	34,468	37,145
Research and development	3,824	3,703
Other expense (income)	--	(7,492)
	38,292	33,356
Income from operations	20,809	28,300
Interest expense	6,628	5,538
Income before income taxes	14,181	22,762
Provision for income taxes	5,105	8,194
Net income	$ 9,076	$ 14,568
Per share data:		
Net income		
Basic	$ .36	$ .50
Diluted	.35	.50
Weighted average common shares		
Basic	25,397	28,876
Diluted	25,969	29,037

See notes to consolidated condensed financial statements.

CONMED CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands except share amounts)

(unaudited)

	December 31, 2002	March 31, 2003
ASSETS		
Current assets:		
Cash and cash equivalents	$ 5,626	$ 6,250
Accounts receivable, net	58,093	60,257
Inventories	120,443	125,721
Deferred income taxes	6,304	6,321
Prepaid expenses and other current assets	3,200	3,645
Total current assets	193,666	202,194
Property, plant and equipment, net	95,608	96,326
Goodwill, net	262,394	304,530
Other intangible assets, net	180,271	180,209
Other assets	10,201	9,977
Total assets	$ 742,140	$ 793,236
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Current portion of long-term debt	$ 2,631	$ 2,387
Accounts payable	22,074	21,851
Accrued compensation	10,463	9,484
Income taxes payable	5,885	8,260
Accrued interest	3,794	1,058
Other current liabilities	13,127	15,032
Total current liabilities	57,974	58,072
Long-term debt	254,756	282,949
Deferred income taxes	28,446	32,872
Other long-term liabilities	14,025	14,347
Total liabilities	355,201	388,240
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; 28,808,105 and 28,915,707 shares issued and outstanding in 2002 and 2003, respectively	288	290
Paid-in capital	231,832	233,613
Retained earnings	162,391	176,959
Accumulated other comprehensive loss	(7,153)	(5,447)
Less 37,500 shares of common stock in treasury, at cost	(419)	(419)
Total shareholders' equity	386,939	404,996
Total liabilities and shareholders equity	$ 742,140	$ 793,236

See notes to consolidated condensed financial statements.

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

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2003

Cash flows from operating activities:		
Net income	$ 9,076	$ 14,568
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	2,206	2,374
Amortization	3,197	3,168
Deferred income taxes	2,758	4,409
Increase (decrease) in cash flows from changes in assets and liabilities:		
Accounts receivable	289	1,270
Inventories	(3,605)	(3,107)
Accounts payable	6,503	(1,580)
Income taxes payable	(167)	2,375
Accrued compensation	(2,607)	(1,943)
Accrued interest	(3,381)	(2,736)
Other assets/liabilities, net	(1,918)	1,680
	3,275	5,910
Net cash provided by operating activities	12,351	20,478
Cash flows from investing activities:		
Payments related to business acquisitions, net of cash acquired	--	(48,177)
Purchases of property, plant, and equipment	(3,208)	(1,710)
Net cash used by investing activities	(3,208)	(49,887)
Cash flows from financing activities:		
Net proceeds from exercise of stock options	1,985	808
Payments on debt	(9,938)	(3,051)
Proceeds of debt	--	31,000
Net cash used by financing activities	(7,953)	28,757
Effect of exchange rate changes on cash and cash equivalents	42	1,276
Net increase in cash and cash equivalents	1,232	624
Cash and cash equivalents at beginning of period	1,402	5,626
Cash and cash equivalents at end of period	$ 2,634	$ 6,250

See notes to consolidated condensed financial statements.

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

Note 1 - Operations and Significant Accounting Policies

Organization and Operations

The consolidated condensed financial statements include the accounts of CONMED Corporation and its subsidiaries ("CONMED", the "Company", "we" or "us"). All intercompany accounts and transactions have been eliminated. CONMED Corporation 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. We are 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, and a full line of ECG electrodes for heart monitoring and other patient care products. We also offer integrated operating room systems and intensive care unit service managers. Our products are used in a variety of clinical settings, such as operating rooms, surgery centers, physicians' offices and critical care areas of hospitals. Our business is organized, managed and internally reported as a single segment, since our product offerings have similar economic, operating and other related characteristics.

Stock-based Compensation

We account for our stock-based compensation plans under the provisions of Accounting Principles Board Opinion No. 25, "Accounting for Stock Issued to Employees". No compensation expense has been recognized in the accompanying financial statements relative to our stock option plans. Pro forma information regarding net income and earnings per share is required by Statement of Financial Accounting Standards No. 123, "Accounting for Stock-Based Compensation" ("SFAS 123") and has been determined as if we had accounted for our employee stock options under the fair value method of that statement. The weighted average fair value of options granted in the three months ended March 31, 2002 and 2003 was $8.66 and $6.56, respectively. The fair value of these options was estimated at the date of grant using a Black-Scholes options pricing model with the following weighted-average assumptions for options granted in the three months ended March 31, 2002 and 2003, respectively: Risk-free interest rates of 2.70% and 2.87%; volatility factors of the expected market price of the Company's common stock of 41.10% and 43.23%; a weighted-average expected life of the option of five years; and that no dividends would be paid on common stock.

For purposes of the pro forma disclosures, the estimated fair value of the options is amortized to expense over the options' vesting period. The Company's pro forma information follows:

	Three months ended March 31, 2002	Three months ended March 31, 2003
Net income -- as reported	$ 9,076	$ 14,568
Pro forma stock-based employee compensation expense, net of related income tax effect	(474)	(524)
Net income -- pro forma	$ 8,602	$ 14,044
EPS - as reported:		
Basic.......................................	$ .36	$ .50
Diluted.....................................	$ .35	$ .50
EPS - pro forma:		
Basic	$ .34	$ .49
Diluted.....................................	$ .33	$ .48

Note 2 - Interim financial information

The statements for the three months ended March 31, 2002 and 2003 are unaudited; in our opinion such unaudited statements include all adjustments (which comprise only normal recurring accruals) necessary for a fair presentation of the results for such periods. The results of operations for the three months ended March 31, 2003 are not necessarily indicative of the results of operations to be expected for any other quarter nor for the year ending December 31, 2003. 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, 2002 included in our Annual Report to the Securities and Exchange Commission on Form 10-K.

Note 3 - Other comprehensive income (loss)

Comprehensive income (loss) consists of the following:

Three months ended
March 31,

	2002	2003
Net income	$ 9,076	$ 14,568
Other comprehensive income:		
Foreign currency translation adjustment	36	1,313
Cash flow hedging (net of income taxes)	480	393
Comprehensive income	$ 9,592	$ 16,274

Accumulated other comprehensive income (loss) consists of the following:

	Minimum Pension Liability	Cumulative Translation Adjustments	Cash Flow Hedges	Accumulated Other Comprehensive Income (loss)
Balance, December 31, 2002	$(5,086)	$(1,159)	$(908)	$(7,153)
Foreign currency translation adjustments	--	1,313	--	1,313
Cash flow hedging (net of income taxes)	--	--	393	393
Balance, March 31, 2003	$(5,086)	$ 154	$(515)	$(5,447)

Note 4 - Inventories

The components of inventory are as follows:

	December 31, 2002	March 31, 2003
Raw materials	$ 44,701	$ 43,041
Work-in-process	12,869	14,357
Finished goods	62,873	68,323
Total	$120,443	$125,721

Note 5 - Earnings per share

Basic earnings per share (EPS) is computed based on the weighted average number of common shares outstanding for the period. Diluted EPS gives effect to all dilutive potential shares outstanding (i.e., options and warrants) during the period. The following is a reconciliation of the weighted average shares used in the calculation of basic and diluted EPS (in thousands):

	Three months ended March 31, 2002	2003
Shares used in the calculation of Basic EPS(weighted average shares outstanding)	25,397	28,876
Effect of dilutive potential securities	572	161

Shares used in the calculation of Diluted EPS	25,969	29,037

The shares used in the calculation of diluted EPS exclude warrants and options to purchase shares where the exercise price was greater than the average market price of common shares for the period. Such shares aggregated 351 and 2,395 for the three months ended March 31, 2002 and 2003, respectively.

Note 6 - Business acquisitions

On January 13, 2003, we entered into an agreement to acquire the common stock of Bionx Implants, Inc. (the "Bionx acquisition") in a cash transaction valuing Bionx at $4.35 per share. We completed the acquisition on March 10, 2003, paying $47.0 million in cash which we financed through borrowings under our revolving credit facility. The results of Bionx's operations have been included in the financial statements since that date. Bionx develops and manufactures self-reinforced resorbable polymer implants including screws, pins and meniscal implants for use in a variety of orthopedic applications, including sports medicine and fracture fixation. In 2002, Bionx recorded revenues of approximately $18.0 million. The acquired product lines are expected to complement CONMED's existing orthopedic product lines.

The following table summarizes the estimated fair values of the assets acquired and liabilities assumed at the date of acquisition. The cost of the Bionx acquisition may require adjustment based upon information which is not currently available, principally related to the valuation of inventory. We are also in the process of obtaining a third-party valuation of Bionx; thus the allocation of purchase price, including goodwill, purchased research and development, intangible assets not subject to amortization, intangible assets subject to amortization and related amortization periods have not yet been finalized and are therefore subject to adjustment in future periods. Goodwill associated with the Bionx acquisition is not expected to be deductible for income tax purposes.

Cash	$ 517
Other current assets	7,083
Property, plant and equipment	1,382
Other intangible assets	1,217
Goodwill	40,458
Total assets acquired	50,657
Current liabilities	(3,120)
Long-term liabilities	(521)
Total liabilities assumed	(3,641)
Net assets acquired	$ 47,016

During the quarter ended March 31, 2003, we paid additional purchase consideration related to the December 31, 2002 acquisition of CORE Dynamics, Inc. (the "CORE acquisition") of approximately $1.7 million which resulted in an increase to goodwill and which had been contingent on the satisfactory execution of the plan to transition manufacturing and distribution from CORE's Jacksonville, Florida facility to our facilities in Utica, New York.

During the quarter ended March 31, 2003, we incurred approximately $1.7 million in acquisition expenses related primarily to the CORE and Bionx acquisitions of which $1.3 million has been recorded in other expense (income) and $.4 million has been recorded to cost of sales. The $1.3 million recorded to other expense (income) consists of various acquisition integration costs to wind down CORE operations in Jacksonville, Florida and Bionx operations in Blue Bell, Pennsylvania. The $.4 million recorded to cost of sales consists of the step-up to fair value related to the sale of a portion of the inventory acquired as a result of the CORE and Bionx acquisitions as well as certain training and transition-related costs related to the transfer of CORE's manufacturing operations.

Note 7 - Other expense (income)

Other expense (income) consists of the following:

Gain on settlement of a contractual dispute, net of legal costs	($9,000)
Acquisition-related costs	1,342
Loss on early extinguishments of debt	166
Other expense (income), net	($7,492)

On March 10, 2003, we entered into an agreement with Bristol-Myers Squibb Company ("BMS") and Zimmer, Inc., ("Zimmer") to settle a contractual dispute related to the 1997 sale by BMS and its then subsidiary, Zimmer, of Linvatec Corporation to CONMED Corporation. As a result of the agreement, BMS paid us $9.5 million in cash, which has been recorded as a gain on settlement of a contractual dispute net of $.5 million in legal costs.

During the quarter ended March 31, 2003, we incurred approximately $1.7 million in costs related primarily to the CORE acquisition and the Bionx acquisition of which $1.3 million has been recorded in other expense (income) as discussed in Note 6 to the consolidated condensed financial statements.

During the quarter ended March 31, 2003 we purchased $2.6 million of our 9% senior subordinated notes and recorded expense of $.2 million in premium and unamortized deferred financing costs to other expense (income) related to this purchase.

Note 8 - Goodwill and other intangible assets

The changes in the net carrying amount of goodwill for the three months ended March 31, 2003 are as follows:

Balance as of January 1, 2003	$262,394
Goodwill acquired	42,136
Balance as of March 31, 2003	$304,530

Other intangible assets consist of the following:

	December 31, 2002		March 31, 2003	
Amortized intangible assets:	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Customer relationships	$ 96,712	$ (12,725)	$ 96,712	$(13,362)
Patents and other intangible assets	23,674	(13,534)	24,705	(13,990)
Unamortized intangible assets:				
Trademarks and tradenames	86,144	--	86,144	--
	$ 206,530	$ (26,259)	$ 207,561	$(27,352)

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 22 years.

Customer relationships are being amortized over 38 years. Patents and other intangible assets are being amortized over a weighted average life of 9 years. The trademarks and tradenames intangible asset has been determined to have an indefinite life and therefore is not amortized.

Amortization expense related to intangible assets which are subject to amortization totaled $1,352 in the three months ended March 31, 2003 and $1,789 in the three months ended March 31, 2002.

The estimated amortization expense for the year ending December 31, 2003 and for each of the five succeeding years is as follows:

2003	$5,456
2004	4,821
2005	4,018
2006	3,608
2007	3,385
2008	3,176

Note 9 - Guarantees

We provide service and warranty policies on certain of our products at the time of sale. 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.

The changes in the carrying amount of service and product warranties for the three months ended March 31, 2003 are as follows:

Balance as of January 1, 2003	$ 3,213
Provision for warranties	1,211
Claims made	(1,100)
Balance as of March 31, 2003	$ 3,324

Note 10 - Guarantor financial statements

Our senior credit agreement and Senior Subordinated Notes (the "Notes") are guaranteed (the "Subsidiary Guarantees") by each of our subsidiaries (the "Subsidiary Guarantors") except CONMED Receivables Corporation (the "Non-Guarantor Subsidiary"). The Subsidiary Guarantees provide that each Subsidiary Guarantor will fully and unconditionally guarantee our obligations under our senior credit agreement and the Notes on a joint and several basis. Each Subsidiary Guarantor and Non-Guarantor Subsidiary is wholly-owned by CONMED Corporation. The following supplemental financial information sets forth on a condensed consolidating basis, condensed consolidating balance sheets, statements of income and statements of cash flows for the Parent Company only, Subsidiary Guarantors and Non-Guarantor Subsidiary and for the Company as of December 31, 2002 and March 31, 2003 and for the three months ended March 31, 2002 and 2003.

CONMED CORPORATION
CONSOLIDATING CONDENSED BALANCE SHEET
December 31, 2002
(in thousands)

	Parent Company Only	Subsidiary Guarantors	Non-Guarantor Subsidiary	Eliminations	Company Total
ASSETS					
Current assets:					

Cash and cash equivalents	$ 3,824	$ 1,516	$ 286	$ --	$ 5,626
Accounts receivable, net	746	13,397	43,950	--	58,093
Inventories	25,829	94,614	--	--	120,443
Deferred income taxes	6,210	--	94	--	6,304
Prepaid expenses and other current assets	823	2,377	--	--	3,200
Total current assets	37,432	111,904	44,330	--	193,666
Property, plant and equipment, net	47,327	48,281	--	--	95,608
Goodwill, net	96,393	166,001	--	--	262,394
Other intangible assets, net	3,565	176,706	--	--	180,271
Other assets	498,111	2,406	--	(490,316)	10,201
Total assets	$ 682,828	$ 505,298	$44,330	$(490,316)	$ 742,140
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current portion of long-term debt	$ 1,284	$ 1,347	$ --	$ --	$ 2,631
Accounts payable	4,907	17,167	--	--	22,074
Accrued compensation	4,052	6,411	--	--	10,463
Income taxes payable	5,885	--	--	--	5,885
Accrued interest	3,733	36	25	--	3,794
Other current liabilities	5,781	7,346	--	--	13,127
Total current liabilities	25,642	32,307	25	--	57,974
Long-term debt	234,468	20,288	--		254,756
Deferred income taxes	28,446	--	--		28,446
Other long-term liabilities	7,333	269,259	41,932	(304,499)	14,025
Total liabilities	295,889	321,854	41,957	(304,499)	355,201
Shareholders' equity:					
Preferred stock	--	--	--	--	--
Common stock	288	--	--	--	288
Paid-in capital	231,832	--	2,000	(2,000)	231,832
Retained earnings	162,391	184,603	373	(184,976)	162,391
Accumulated other comprehensive loss	(7,153)	(1,159)	--	1,159	(7,153)
Less common stock in treasury, at cost	(419)	--	--	--	(419)
Total shareholders' equity	386,939	183,444	2,373	(185,817)	386,939
Total liabilities and shareholders' equity	$ 682,828	$ 505,298	$44,330	$(490,316)	$ 742,140

CONMED CORPORATION
CONSOLIDATING CONDENSED BALANCE SHEET
March 31, 2003
(in thousands)(unaudited)

	Parent Company Only	Subsidiary Guarantors	Non-Guarantor Subsidiary	Eliminations	Company Total
ASSETS					
Current assets:					
Cash and cash equivalents	$ 4,174	$ 1,791	$ 285	$ --	$ 6,250
Accounts receivable, net	--	16,607	43,650	--	60,257
Inventories	27,073	98,648	--	--	125,721
Deferred income taxes	6,227	--	94	--	6,321
Prepaid expenses and other current assets	914	2,731	--	--	3,645
Total current assets	38,388	119,777	44,029	--	202,194
Property, plant and equipment, net	47,375	48,951	--	--	96,326
Goodwill, net	98,095	206,435	--	--	304,530
Other intangible assets, net	3,533	176,676	--	--	180,209
Other assets	543,274	2,431	--	(535,728)	9,977
Total assets	$ 730,665	$ 554,270	$44,029	$(535,728)	$ 793,236
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities:					
Current portion of long-term debt	$ 1,034	$ 1,353	$ --	$ --	$ 2,387
Accounts payable	4,478	17,373	--	--	21,851
Accrued compensation	3,264	6,220	--	--	9,484
Income taxes payable	8,260	--	--	--	8,260
Accrued interest	797	236	25	--	1,058
Other current liabilities	4,848	10,184	--	--	15,032
Total current liabilities	22,681	35,366	25	--	58,072
Long-term debt	262,574	20,375	--		282,949
Deferred income taxes	32,872	--	--		32,872
Other long-term liabilities	7,542	307,533	41,613	(342,341)	14,347
Total liabilities	325,669	363,274	41,638	(342,341)	388,240
Shareholders' equity:					
Preferred stock	--	--	--	--	--
Common stock	290	--	--	--	290
Paid-in capital	233,613	--	2,000	(2,000)	233,613

Retained earnings	176,959	190,842	391	(191,233)	176,959
Accumulated other comprehensive income (loss)	(5,447)	154	--	(154)	(5,447)
Less common stock in treasury, at cost	(419)	--	--	--	(419)
Total shareholders' equity	404,996	190,996	2,391	(193,387)	404,996
Total liabilities and shareholders' equity	$ 730,665	$ 554,270	$44,029	$(535,728)	$ 793,236

CONMED CORPORATION
CONSOLIDATING CONDENSED STATEMENT OF INCOME
Three Months Ended March 31, 2002
(in thousands)
(unaudited)

	Parent Company Only	Subsidiary Guarantors	Non-Guarantor Subsidiary	Eliminations	Company Total
Net sales	$ 26,299	$ 86,906	$ --	$ --	$ 113,205
Cost of sales	14,003	40,101	--	--	54,104
Gross profit	12,296	46,805	--	--	59,101
Selling and administrative	7,447	27,355	(334)	--	34,468
Research and development	429	3,395	--	--	3,824
	7,876	30,750	(334)	--	38,292
Income from operations	4,420	16,055	334	--	20,809
Interest expense	--	6,308	320	--	6,628
Income before income taxes	4,420	9,747	14	--	14,181
Provision for income taxes	1,591	3,509	5	--	5,105
Income before equity in earnings of unconsolidated subsidiaries	2,829	6,238	9	--	9,076
Equity in earnings of unconsolidated subsidiaries	6,247	--	--	(6,247)	--
Net income	$ 9,076	$ 6,238	$ 9	$ (6,247)	$ 9,076

CONMED CORPORATION
CONSOLIDATING CONDENSED STATEMENT OF INCOME
Three Months Ended March 31, 2003
(in thousands)
(unaudited)

	Parent Company Only	Subsidiary Guarantors	Non-Guarantor Subsidiary	Eliminations	Company Total
Net sales	$ 29,135	$ 88,899	$ --	$ --	$ 118,034
Cost of sales	16,058	40,320	--	--	56,378
Gross profit	13,077	48,579	--	--	61,656
Selling and administrative	7,933	29,455	(243)	--	37,145
Research and development	481	3,222	--	--	3,703
Other expense (income)	(8,324)	832	--	--	(7,492)
	90	33,509	(243)	--	33,356

Income from operations	12,987	15,070	243	--	28,300
Interest expense	--	5,322	216	--	5,538
Income before income taxes	12,987	9,748	27	--	22,762
Provision for income taxes	4,676	3,509	9	--	8,194
Income before equity in earnings of unconsolidated subsidiaries	8,311	6,239	18	--	14,568
Equity in earnings of unconsolidated subsidiaries	6,257	--	--	(6,257)	--
Net income	$ 14,568	$ 6,239	$ 18	$ (6,257)	$ 14,568

CONMED CORPORATION
CONSOLIDATING CONDENSED STATEMENT OF CASH FLOWS
Three Months Ended March 31, 2002
(in thousands)
(unaudited)

	Parent Company Only	Subsidiary Guarantors	Non-Guarantor Subsidiary	Eliminations	Company Total
Net cash flows from operating activities	$ 2,761	$ 6,090	$ 3,500	$ --	$ 12,351
Cash flows from investing activities:					
Distributions from subsidiaries	6,752	--	--	(6,752)	--
Purchases of property, plant and equipment	(1,560)	(1,648)	--	--	(3,208)
Net cash provided (used) by investing activities	5,192	(1,648)	--	(6,752)	(3,208)
Cash flows from financing:					
Distributions to parent	--	(4,114)	--	4,114	--
Repayment on note payable to parent	--	--	(2,638)	2,638	--
Net proceeds from exercise of stock options	1,985	--	--	--	1,985
Payments on debt	(9,938)	--	--	--	(9,938)
Net cash provided (used) by financing activities	(7,953)	(4,114)	(2,638)	6,752	(7,953)
Effect of exchange rate changes on cash and cash equivalents	--	42	--	--	42
Net increase (decrease) in cash and cash equivalents	--	370	862	--	1,232
Cash and cash equivalents at beginning of period	--	1,181	221	--	1,402
Cash and cash equivalents at end of period	$ --	$ 1,551	$ 1,083	$ --	$ 2,634

CONMED CORPORATION
CONSOLIDATING CONDENSED STATEMENT OF CASH FLOWS
Three Months Ended March 31, 2003
(in thousands)
(unaudited)

	Parent Company Only	Subsidiary Guarantors	Non-Guarantor Subsidiary	Eliminations	Company Total
Net cash provided by operating activities	$ 11,059	$ 9,101	$ 318	$ --	$ 20,478

Cash flows from investing activities:					
Distributions to subsidiaries	(36,881)	--	--	36,881	--
Payments related to business acquisitions, net of cash acquired	(1,678)	(46,499)	--	--	(48,177)
Purchases of property, plant and equipment	(907)	(803)	--	--	(1,710)
Net cash provided (used) by investing activities	(39,466)	(47,302)	--	36,881	(49,887)
Cash flows from financing:					
Net distributions to parent	--	37,200	--	(37,200)	--
Borrowings on note payable to parent	--	--	(319)	319	--
Net proceeds from exercise of stock options	808	--	--	--	808
Payments on debt	(3,051)	--	--	--	(3,051)
Proceeds of debt	31,000	--	--	--	31,000
Net cash provided (used) by financing activities	28,757	37,200	(319)	(36,881)	(28,757)
Effect of exchange rate changes on cash and cash equivalents	--	1,276	--	--	1,276
Net increase (decrease) in cash and cash equivalents	350	275	(1)	--	624
Cash and cash equivalents at beginning of period	3,824	1,516	286	--	5,626
Cash and cash equivalents at end of period	$ 4,174	$ 1,791	$ 285	$ --	$ 6,250

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

Forward-Looking Statements Made in this Form 10-Q

In this 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. You can find many of these statements by looking for words like "believes," "expects," "anticipates," "estimates" or similar expressions.

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, 2002 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;
- our ability to manufacture product consistently and in a timely manner, especially those products involving delicate or complex manufacturing processes;
- the introduction and acceptance of new products, including our PowerPro(R) battery-powered instrument product line;
- the success of our distribution arrangement with DePuy Orthopaedics;
- the integration of any acquisition;

- changes in business strategy;
- the possibility that United States or foreign regulatory and/or administrative agencies might initiate enforcement actions against us or our distributors;
- our indebtedness;
- 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 "Business" in our Annual Report on Form 10-K for the year-ended December 31, 2002 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 Form 10-Q or to reflect the occurrence of unanticipated events.

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 10K for the year-ended December 31, 2002 describes the significant accounting policies used in preparation of the consolidated financial statements. The most significant areas involving management judgments and estimates are described in Management's Discussion and Analysis in our Annual Report on Form 10-K for the year-ended December 31, 2002 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 first quarter of 2003.

Results of Operations

Three months ended March 31, 2003 compared to three months ended March 31, 2002

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

	Three Months Ended March 31, 2002	Three Months Ended March 31, 2003
	(unaudited)	
Net sales	100.0%	100.0%
Cost of sales	47.8	47.8
Gross profit	52.2	52.2
Selling and administrative	30.4	31.5
Research and development	3.4	3.1
Other expense (income)	--	(6.4)
Income from operations	18.4	24.0
Interest expense	5.9	4.8
Income before income taxes	12.5	19.2
Provision for income taxes	4.5	6.9

Net Income	8.0%	12.3%
	=====	=====

Sales for the quarter ended March 31, 2003 were $118.0 million, an increase of 4.2% compared to sales of $113.2 million in the same quarter a year ago. Adjusted for constant foreign currency exchange rates, sales growth in the first quarter of 2003 would have been approximately 2.0% as compared to the same period a year ago.

- Sales in our orthopedic businesses increased 4.3% to $72.7 million from $69.7 million in the comparable quarter last year.

- Arthroscopy sales, which represented approximately 57.4% of total first quarter 2003 orthopedic revenues, grew 1.0% to $41.7 million from $41.3 million in the same period a year ago as sales of imaging systems improved while sales of procedure specific and fluid management products were slightly less than the same period a year ago.

- Powered surgical instrument sales, which represented approximately 42.6% of orthopedic revenues, increased 9.2% to $31.0 million from $28.4 million in the

same quarter last year on the strength of our PowerPro(R) battery powered instrument product line.

- Patient care sales for the three months ended March 31, 2003 were $17.3 million, flat when compared to the same period a year ago as increases in sales of our automatic defibrillator pad and certain other products were offset by decreases in the suction instrument product lines.

- Electrosurgery sales for the three months ended March 31, 2003 were $16.8 million, flat when compared to the first quarter of last year, as declines in sales of electrosurgical generators offset gains in sales of disposables when compared with the same period a year ago.

- Sales of endoscopy products increased 13.8% to $10.7 million in the three months ended March 31, 2003 from $9.4 million in the same period a year ago as a result of the CORE acquisition.

Cost of sales increased to $56.4 million in the first quarter 2003 as compared to $54.1 million in the same quarter a year ago, primarily as a result of the increased sales volumes described above while gross margin percentage remained at 52.2% in the first quarter of 2003, the same as in the first quarter of 2002. Included in cost of sales during the quarter ended March 31, 2003 were approximately $.4 million in acquisition-related costs.

Selling and administrative expense increased to $37.1 million in the first quarter of 2003 as compared to $34.5 million in the first quarter of 2002. As a percentage of sales, selling and administrative expense totaled 31.5% in the first quarter of 2003 compared to 30.4% in the first quarter of 2002. The increase in selling and administrative expense as a percentage of sales is due principally to increased marketing costs associated with recently launched product lines including the integrated operating room systems product lines, PowerPro(R), and new electrosurgical generators.

Research and development expense decreased to $3.7 million in the first quarter of 2003 as compared to $3.8 million in the first quarter of 2002. As a percentage of sales, research and development expense also decreased to 3.1% in the current quarter compared to 3.4% in the same quarter a year ago but remains within the range of our historical percentages.

As discussed in Note 7 to the consolidated condensed financial statements, other income is comprised of a net gain on settlement of a contractual dispute of $9.0 million offset by acquisition-related costs of $1.3 million and the loss of $.2 million on the early extinguishment of debt. There was no other income in the comparable quarter in 2002.

Interest expense in the first quarter of 2003 was $5.5 million compared to $6.6 million in the first quarter of 2002. The decrease in interest expense is primarily a result of lower total borrowings outstanding during the current quarter as compared to the same period a year ago, as borrowings have declined to $285.3 million at March 31, 2003 as compared to $326.0 million at March 31, 2002. Additionally, the weighted average interest rates on our borrowings has declined to 5.91% at March 31, 2003 as compared to 6.25% at March 31, 2002.

Provision for income taxes has been recorded at an effective rate of 36% for the first quarter 2003 and 2002. A reconciliation of the United States statutory income tax rate to our effective tax rate is included in Note 7 to the Company's financial statements for the year ended December 31, 2002 included in our Annual Report to the Securities and Exchange Commission on Form 10-K.

Liquidity and Capital Resources

Cash generated from our operations and borrowings under our revolving credit facility have traditionally provided the working capital for our operations, debt service under our credit facility and the funding of our capital expenditures. In addition, we have used term borrowings, including:

- o borrowings under our senior credit agreement;

- o Senior Subordinated Notes issued to refinance borrowings under our senior credit agreement, in the case of the acquisition of Linvatec Corporation in 1997;

- o borrowings under separate loan facilities, in the case of real property acquisitions, to finance our acquisitions.

The senior credit agreement consists of a $100 million term loan and a $100 million revolving credit facility of which $99.5 million and $36.0 million, respectively, was outstanding at March 31, 2003. The weighted average interest rates at March 31, 2003 on the term loan and revolving credit facility were 4.09% and 5.75%, respectively.

The Senior Subordinated Notes (the "Notes") are in aggregate principal amount outstanding at March 31, 2003, of $127.4 million, have a maturity date of March 15, 2008 and bear interest at 9.0% per annum which is payable semi-annually. The Notes are redeemable for cash at anytime on or after March 15, 2003, at our option, in whole or in part, at the redemption prices set forth therein, plus accrued and unpaid interest to the date of redemption. During the quarter ended March 31, 2003, we purchased $2.6 million of our Notes at 104.5% and recorded expense of $.2 million in premium and unamortized deferred financing costs as discussed in Note 7 to the consolidated condensed financial statements. On March 12, 2003, we served notice to the trustee for the Notes that we would redeem $15.0 million par value of the Notes, on May 1, 2003, at the redemption price of 104.5%, for a total redemption price of $15.7 million, plus accrued and unpaid interest. We redeemed those Notes on May 1, 2003 through borrowings under our revolving credit facility. The premium paid on the Notes will be recorded as a charge to operating income in the second quarter of 2003. Although the outstanding Notes do not mature until 2008, we continue to review alternatives for redeeming the remaining outstanding Notes, including the addition of a term loan tranche under the senior credit agreement to redeem all outstanding Notes at the applicable redemption price.

We used term loans to purchase the property in Largo, Florida utilized by our Linvatec subsidiary. The term loans consist of a Class A note bearing interest at 7.50%, a Class C note bearing interest at 8.25% and a seller-financed note bearing interest at 6.50%. The principal balances outstanding on the Class A note, Class C note and seller-financed note aggregate $10.7 million, $7.1 million and $3.9 million, respectively, at March 31, 2003.

We have a five-year 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, a wholly-owned 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 to a commercial paper conduit (the "conduit purchaser"). As of December 31, 2002 and March 31, 2003, the undivided percentage ownership interest in receivables sold by CRC to the conduit purchaser aggregated $37.0 million, which has been accounted for as a sale and reflected in the balance sheet as a reduction in accounts receivable.

Our net working capital position was $144.1 million at March 31, 2003 as compared to $135.7 million at December 31, 2002. Net cash provided by operations increased to $20.5

million in the three months ended March 31, 2003 compared to $12.4 million for the same period a year ago, principally as a result of the $9.0 million gain on the settlement of a contractual dispute discussed in Note 7 to the consolidated financial statements.

Net cash provided by operations in the first quarter of 2003 was positively impacted by depreciation, amortization and increases in income taxes payable and deferred income taxes and negatively impacted primarily by increases in inventory and decreases in accounts payable, accrued compensation and accrued interest. The increase in inventory is a result of the Bionx acquisition discussed in Note 6 to the consolidated condensed financial statements. The increases in income taxes payable and deferred income taxes and decreases in accounts payable, accrued compensation and accrued interest are primarily related to the timing of the payment of these liabilities.

Capital expenditures in the three months ended March 31, 2003 were $1.7 million compared to $3.2 million in the same period a year ago. These capital expenditures represent the ongoing capital investment requirements of our business and are expected to continue at the rate of approximately $12.0 to $14.0 million annually. Net cash used by investing activities in the three months ended March 31, 2003 also included $48.2 million in payments related to business acquisitions, net of cash acquired, of which $46.5 million related to the Bionx acquisition and the remainder related to the CORE acquisition as discussed in Note 6 to the consolidated condensed financial statements.

Financing activities in the three months ended March 31, 2003 consisted of payments on our debt of $3.1 million and borrowings on our revolving credit facility of $31.0 million in order to finance the Bionx acquisition. Proceeds from the exercise of stock options in the three months ended March 31, 2003 totaled $.8 million.

Management believes that cash generated from operations, our current cash resources and funds available under our new senior credit agreement will provide sufficient liquidity to ensure continued working capital for operations, debt service and funding of capital expenditures in the foreseeable future.

Contractual Obligations

There were no capital lease obligations or unconditional purchase obligations as of March 31, 2003. The following table summarizes our contractual obligations related to operating leases and long-term debt as of March 31, 2003:

	(Amounts in thousands)					
	2003	2004	2005	2006	2007	Thereafter
Long-term debt	$2,072	$2,554	$2,741	$2,943	$133,914	$141,112
Operating lease obligations	1,783	1,589	1,310	1,238	1,259	3,173
Total contractual cash obligations ...	$3,855	$4,143	$4,051	$4,182	$135,174	$144,284

New Accounting Pronouncements

In January 2003, FIN No. 46, "Consolidation of Variable Interest Entities" was issued. The interpretation provides guidance on consolidating variable interest entities and applies immediately to variable interests created after January 31, 2003. The guidelines of the interpretation will become applicable for us in our third quarter 2003 financial statements for variable interest entities created before February 1, 2003. The interpretation requires variable interest entities to be consolidated if the equity investment at risk is not sufficient to permit an entity to finance its activities without support from other parties or the equity investors lack certain specified characteristics. We are reviewing FIN No. 46 to determine its impact, if any, on future reporting periods, and do not currently anticipate any material accounting or disclosure requirement under the provisions of the interpretation.

In April 2003, FAS No. 149 "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" was issued. FAS No. 149 amends and clarifies financial accounting and reporting for derivative instruments embedded in other contracts and for hedging activities under FAS No. 133, "Accounting for Derivative Instruments and Hedging Activities". FAS No. 149 will be applicable for us in our third quarter 2003. We are reviewing FAS No. 149 to determine its impact, if any, on future reporting periods, and do not currently anticipate any material accounting or disclosure requirement under the provisions of the statement.

Item 3. Quantitative and Qualitative Disclosures About Market Risk

There has been no significant change in our exposures to market risk during the three months ended March 31, 2003. For a detailed discussion of market risk, see our Annual Report on Form 10K for the year-ended December 31, 2002, Part II, Item 7A, Quantitative and Qualitative Disclosures About Market Risk.

Item 4. Controls and Procedures

Within the 90-day period prior to the filing of this report, an evaluation was carried out under the supervision and with the participation of management, including our Chief Executive Officer and Chief Financial Officer, of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rule 13a-14(c) under the Securities Exchange Act of 1934). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the design and operation of these disclosure controls and procedures were effective. No significant changes were made in our internal controls or in other factors that could significantly affect these controls subsequent to the date of their evaluation.

PART II OTHER INFORMATION

Item 6. Exhibits and Reports on Form 8-K

List of Exhibits

None

Reports on Form 8-K

On April 29, 2003, the Company filed a Report on Form 8-K furnishing as Exhibit 99.1 under Item 7, an April 24, 2003 press release announcing first quarter results.

On May 1, 2003, the Company filed a Report on Form 8-K under Item 5, a supplement to the discussion under Liquidity and Capital Resources included in our Form 10-K for the year-ended December 31, 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: May 12, 2003

/s/ Robert D. Shallish, Jr.

Robert D. Shallish, Jr.
Vice President - Finance
(Principal Financial Officer)

CERTIFICATION

I, Eugene R. Corasanti, certify that:

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

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:

    a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

    b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

    c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

    a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

    b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

May 9, 2003

/s/ Eugene R. Corasanti

Eugene R. Corasanti
Chairman of the Board and
Chief Executive Officer

CERTIFICATION

I, Robert D. Shallish, certify that:

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

2. Based on my knowledge, this quarterly 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 quarterly report;

3. Based on my knowledge, the financial statements, and other financial information included in this quarterly 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 quarterly 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-14 and 15d-14) for the registrant and we have:

   a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

   b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

   c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

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

   a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

   b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officer and I have indicated in this quarterly report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

May 9, 2003

/s/ Robert D. Shallish Jr.

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