

**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  
March 31, 2011

Commission File Number 0-16093

**CONMED CORPORATION**

(Exact name of registrant as specified in its charter)

**New York**

(State or other jurisdiction of  
incorporation or organization)

**16-0977505**

(I.R.S. Employer  
Identification No.)

**525 French Road, Utica, New York**  
(Address of principal executive offices)

**13502**  
(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 has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T ( § 232.405 of this chapter) during the preceding 12 months (or for shorter period that the registrant was required to submit and post such files).

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 April 27, 2011 is 28,301,287 shares.

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**CONMED CORPORATION**  
**QUARTERLY REPORT ON FORM 10-Q**  
**FOR THE QUARTER ENDED MARCH 31, 2011**

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**PART I FINANCIAL INFORMATION**  
**Item 1.**

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2010</b>	<b>2011</b>
Net sales	\$ 176,365	\$ 183,450
Cost of sales	84,570	87,734
Gross profit	91,795	95,716
Selling and administrative expense	70,552	70,078
Research and development expense	7,682	7,681
Other expense	-	694
	78,234	78,453
Income from operations	13,561	17,263
Amortization of debt discount	1,052	1,094
Interest expense	1,749	1,805
Income before income taxes	10,760	14,364
Provision for income taxes	3,441	5,369
Net income	\$ 7,319	\$ 8,995
<b>Per share data:</b>		
Net income		
Basic	\$ .25	\$ .32
Diluted	.25	.31
Weighted average common shares		
Basic	29,165	28,261
Diluted	29,409	28,701

See notes to consolidated condensed financial statements.

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

	December 31, 2010	March 31, 2011
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 12,417	\$ 17,939
Accounts receivable, net	145,350	147,263
Inventories	172,796	171,211
Deferred income taxes	8,476	8,874
Prepaid expenses and other current assets	11,153	12,730
Total current assets	<u>350,192</u>	<u>358,017</u>
Property, plant and equipment, net	140,895	141,121
Deferred income taxes	2,009	2,333
Goodwill	295,068	294,924
Other intangible assets, net	190,091	188,432
Other assets	7,518	7,576
Total assets	<u>\$ 985,773</u>	<u>\$ 992,403</u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current liabilities:		
Current portion of long-term debt	\$ 110,433	\$ 111,528
Accounts payable	21,692	24,144
Accrued compensation and benefits	28,411	21,215
Income taxes payable	973	1,344
Other current liabilities	18,357	22,274
Total current liabilities	<u>179,866</u>	<u>180,505</u>
Long-term debt	85,182	71,844
Deferred income taxes	106,046	110,651
Other long-term liabilities	28,116	28,359
Total liabilities	<u>399,210</u>	<u>391,359</u>
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 2010 and 2011, respectively	313	313
Paid-in capital	319,406	320,563
Retained earnings	354,020	362,685
Accumulated other comprehensive loss	(15,861)	(12,832)
Less: 3,077,377 and 3,006,068 shares of common stock in treasury, at cost in December 31, 2010 and March 31, 2011, respectively	<u>(71,315)</u>	<u>(69,685)</u>
Total shareholders' equity	<u>586,563</u>	<u>601,044</u>
Total liabilities and shareholders' equity	<u>\$ 985,773</u>	<u>\$ 992,403</u>

See notes to consolidated condensed financial statements.

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

	<b>Three Months Ended</b>	
	<b>March 31,</b>	
	<b>2010</b>	<b>2011</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 7,319	\$ 8,995
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	4,147	4,416
Amortization of debt discount	1,052	1,094
Amortization, all other	5,083	4,830
Stock-based compensation	940	1,026
Deferred income taxes	3,598	4,625
Sale of accounts receivable to (collections on behalf of) purchaser	(29,000)	-
Increase (decrease) in cash flows from changes in assets and liabilities:		
Accounts receivable	5,378	90
Inventories	(8,002)	420
Accounts payable	3,836	1,782
Income taxes payable	(620)	333
Accrued compensation and benefits	(3,509)	(7,442)
Other assets	(865)	(1,917)
Other liabilities	(2,289)	2,448
Net cash provided by (used in) operating activities	<u>(12,932)</u>	<u>20,700</u>
<b>Cash flows from investing activities:</b>		
Payments related to business acquisitions	(5,083)	(72)
Purchases of property, plant and equipment	(3,333)	(4,143)
Net cash used in investing activities	<u>(8,416)</u>	<u>(4,215)</u>
<b>Cash flows from financing activities:</b>		
Net proceeds from common stock issued under employee plans	267	1,287
Payments on long term debt	(9,337)	(13,337)
Proceeds from secured borrowings, net	33,000	-
Net change in cash overdrafts	(2,531)	337
Net cash provided by (used in) financing activities	<u>21,399</u>	<u>(11,713)</u>
<b>Effect of exchange rate changes</b>		
on cash and cash equivalents	<u>(179)</u>	<u>750</u>
Net increase (decrease) in cash and cash equivalents	(128)	5,522
Cash and cash equivalents at beginning of period	10,098	12,417
Cash and cash equivalents at end of period	<u>\$ 9,970</u>	<u>\$ 17,939</u>

See notes to consolidated condensed financial statements.

**CONMED CORPORATION**  
**NOTES TO CONSOLIDATED CONDENSED FINANCIAL STATEMENTS**  
**(Unaudited, in thousands except share and 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 March 31, 2011 are not necessarily indicative of the results that may be expected for the year ending December 31, 2011.

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, 2010 included in our Annual Report on Form 10-K.

**Note 3 – Other comprehensive income**

Comprehensive income consists of the following:

	<b>Three months ended</b>	
	<b>March 31,</b>	
	<b>2010</b>	<b>2011</b>
Net income	\$ 7,319	\$ 8,995
Other comprehensive income:		
Pension liability, net of income tax	207	231
Cash flow hedging gain (loss), net of income tax	606	(1,046)
Foreign currency translation adjustments	(1,568)	3,844
Comprehensive income	<u>\$ 6,564</u>	<u>\$ 12,024</u>

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

	<u>Cash Flow Hedging Loss</u>	<u>Pension Liability</u>	<u>Cumulative Translation Adjustments</u>	<u>Accumulated Other Comprehensive Income (loss)</u>
Balance, December 31, 2010	\$ (1,245)	\$ (18,482)	\$ 3,866	\$ (15,861)
Pension liability, net of income tax	-	231	-	231
Cash flow hedging loss, net of income tax	(1,046)	-	-	(1,046)
Foreign currency translation adjustments	-	-	3,844	3,844
Balance, March 31, 2011	<u>\$ (2,291)</u>	<u>\$ (18,251)</u>	<u>\$ 7,710</u>	<u>\$ (12,832)</u>

**Note 4 – Fair value of financial instruments**

We enter into derivative instruments for risk management purposes only. We operate internationally and, in the normal course of business, are exposed to fluctuations in interest rates, foreign exchange rates and commodity prices. These fluctuations can increase the costs of financing, investing and operating the business. We use forward contracts, a type of derivative instrument, to manage our foreign currency exposures.

By nature, all financial instruments involve market and credit risks. We enter into forward contracts with a major investment grade financial institution and have policies to monitor credit risk. While there can be no assurance, we do not anticipate any material non-performance by our counterparty.

**Foreign Currency Forward Contracts.** We hedge forecasted intercompany sales denominated in foreign currencies through the use of forward contracts. We account for these forward contracts as cash flow hedges. To the extent these forward contracts meet hedge accounting criteria, changes in their fair value are not included in current earnings but are included in accumulated other comprehensive loss. These changes in fair value will be recognized in earnings as a component of sales when the forecasted transaction occurs. The notional contract amounts for forward contracts outstanding at March 31, 2011 which have been accounted for as cash flow hedges totaled \$62.9 million. Net realized gains (losses) recognized for forward contracts accounted for as cash flow hedges approximated \$0.9 million and (\$1.2 million) for the quarters ended March 31, 2010 and 2011, respectively. Net unrealized losses on forward contracts outstanding, which have been accounted for as cash flow hedges and which have been included in other comprehensive income, totaled \$2.3 million at March 31, 2011. These unrealized losses and any subsequent changes in fair value will be recognized in the consolidated statement of operations in 2011 and the first quarter of 2012 as the related forward contracts mature and gains and losses are realized.

We also enter into forward contracts to exchange foreign currencies for United States dollars in order to hedge our currency transaction exposures on intercompany receivables denominated in foreign currencies. These forward contracts settle each month at month-end, at which time we enter into new forward contracts. We have not designated these forward contracts as hedges and have not applied hedge accounting to them. The notional contract amounts for forward contracts outstanding at March 31, 2011 which have not been designated as hedges totaled \$46.6 million. Net realized gains (losses) recognized in connection with those forward contracts not accounted for as hedges approximated \$0.3 million and (\$0.9 million) for the quarters ended March 31, 2010 and 2011, respectively, offsetting gains (losses) on our intercompany receivables of (0.4 million) and \$1.2 million for the quarters ended March 31, 2010 and 2011, respectively. These gains and losses have been recorded in selling and administrative expense in the consolidated statements of operations.

We record these forward foreign exchange contracts at fair value; the following table summarizes the fair value for forward foreign exchange contracts outstanding at March 31, 2011:

	<b>Asset Balance Sheet Location</b>	<b>Fair Value</b>	<b>Liabilities Balance Sheet Location</b>	<b>Fair Value</b>	<b>Net Fair Value</b>
Derivatives designated as hedged instruments:					
Foreign Exchange Contracts	Other current liabilities	\$ (2)	Other current liabilities	\$ 3,635	\$ 3,633
Derivatives not designated as hedging instruments:					
Foreign Exchange Contracts	Other current liabilities	-	Other current liabilities	110	110
<b>Total derivatives</b>		\$ (2)		\$ 3,745	\$ 3,743

Our forward foreign exchange contracts are subject to a master netting agreement and qualify for netting in the consolidated balance sheets. Accordingly, we have recorded the net fair value of \$3.7 million in other current liabilities.

**Fair Value Disclosure.** Financial Accounting Standards Board (“FASB”) guidance defines fair value and establishes a framework for measuring fair value and related disclosure requirements. This guidance applies when fair value measurements are required or permitted. The guidance 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. Fair value is defined based upon an exit price model.

As of March 31, 2011, we do not have any significant non-recurring measurements of nonfinancial assets and nonfinancial liabilities.

**Valuation Hierarchy.** A valuation hierarchy was established for disclosure of the inputs to the valuations used to measure fair value. This hierarchy prioritizes the inputs into three broad levels as follows. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are quoted prices for similar assets and liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, inputs other than quoted prices that are observable for the asset or liability, including interest rates, yield curves and credit risks, or inputs that are derived principally from or corroborated by observable market data through correlation. Level 3 inputs are unobservable inputs based on our own assumptions used to measure assets and liabilities at fair value. A financial asset or liability’s classification within the hierarchy is determined based on the lowest level input that is significant to the fair value measurement.



**Valuation Techniques.** Liabilities carried at fair value and measured on a recurring basis as of March 31, 2011 consist of forward foreign exchange contracts and two embedded derivatives associated with our 2.50% convertible senior subordinated notes (the “Notes”). The value of the forward foreign exchange contracts was determined within Level 2 of the valuation hierarchy and is listed in the table above. The value of the two embedded derivatives associated with the Notes 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.

The carrying amounts reported in our balance sheets for cash and cash equivalents, accounts receivable, accounts payable and long-term debt excluding the Notes approximate fair value. The fair value of the Notes approximated \$111.7 million and \$113.4 million at December 31, 2010 and March 31, 2011, respectively, based on their quoted market price.

**Note 5 - Inventories**

Inventories consist of the following:

	<u>December 31,</u> <u>2010</u>	<u>March 31,</u> <u>2011</u>
Raw materials	\$ 49,038	\$ 47,319
Work-in-process	15,460	18,304
Finished goods	<u>108,298</u>	<u>105,588</u>
Total	<u>\$ 172,796</u>	<u>\$ 171,211</u>

**Note 6 – Earnings per share**

Basic earnings per share (“basic 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. The following table sets forth the computation of basic and diluted earnings per share for the three month periods ended March 31, 2010 and 2011.

	<b>Three months ended</b> <b>March 31,</b>	
	<u>2010</u>	<u>2011</u>
Net income	<u>\$ 7,319</u>	<u>\$ 8,995</u>
Basic – weighted average shares outstanding	29,165	28,261
Effect of dilutive potential securities	<u>244</u>	<u>440</u>
Diluted – weighted average shares outstanding	<u>29,409</u>	<u>28,701</u>
Basic EPS	\$ .25	\$ .32
Diluted EPS	.25	.31

The shares used in the calculation of diluted EPS exclude options and stock appreciation rights where the exercise price was greater than the average market price of common shares for the period. Such shares aggregated approximately 1.4 million and 0.7 million for the three months ended March 31, 2010 and 2011, respectively. The shares used in the calculation of diluted EPS also exclude potential shares issuable under the Notes.

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Upon conversion of 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 March 31, 2011, 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. Accordingly, under the net share settlement method, 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 three months ended March 31, 2011 are as follows:

Balance as of January 1, 2011	\$ 295,068
Foreign currency translation	(144)
Balance as of March 31, 2011	<u>\$ 294,924</u>

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

	<u>December 31, 2010</u>	<u>March 31, 2011</u>
CONMED Electrosurgery	\$ 16,645	\$ 16,645
CONMED Endosurgery	42,439	42,439
CONMED Linvatec	175,682	175,538
CONMED Patient Care	<u>60,302</u>	<u>60,302</u>
Balance	<u>\$ 295,068</u>	<u>\$ 294,924</u>

Other intangible assets consist of the following:

	<u>December 31, 2010</u>		<u>March 31, 2011</u>	
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>
<b>Amortized intangible assets:</b>				
Customer relationships	\$ 127,594	\$ (40,801)	\$ 127,594	\$ (41,878)
Patents and other intangible assets	47,178	(32,224)	47,142	(32,770)
<b>Unamortized intangible assets:</b>				
Trademarks and tradenames	<u>88,344</u>	<u>-</u>	<u>88,344</u>	<u>-</u>
	<u>\$ 263,116</u>	<u>\$ (73,025)</u>	<u>\$ 263,080</u>	<u>\$ (74,648)</u>

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 34 years. Patents and other intangible assets are being amortized over a weighted average life of 14 years.

Amortization expense related to intangible assets which are subject to amortization totaled \$1,523 and \$1,623 in the three months ended March 31, 2010 and 2011, respectively. These amounts have been included in selling and administrative expense on the Consolidated Condensed Statements of Income.

The estimated amortization expense for the year ending December 31, 2011, including the quarterly period ended March 31, 2011, and for each of the five succeeding years, is as follows:

2011	6,064
2012	6,011
2013	5,795
2014	5,308
2015	4,703
2016	4,603

**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 three months ended March 31, are as follows:

	<u>2010</u>	<u>2011</u>
Balance as of January 1,	\$ 3,383	\$ 3,363
Provision for warranties	345	1,145
Claims made	(547)	(1,075)
Balance as of March 31,	<u>\$ 3,181</u>	<u>\$ 3,433</u>

**Note 9 – Pension plan**

Net periodic pension costs consist of the following:

	<b>Three months ended March 31,</b>	
	<u>2010</u>	<u>2011</u>
Service cost	\$ 44	\$ 70
Interest cost on projected benefit obligation	1,006	1,096
Expected return on plan assets	(1,003)	(1,057)
Net amortization and deferral	<u>328</u>	<u>366</u>
Net periodic pension cost	<u>\$ 375</u>	<u>\$ 475</u>

We are required and expect to make \$2.1 million in contributions to our pension plan in 2011. We did not make any contributions in the quarter ended March 31, 2011.

**Note 10 — Other expense**

Other expense consists of the following:

	Three months ended March 31,	
	2010	2011
Administrative consolidation costs	\$ -	\$ 694
Other expense	<u>\$ -</u>	<u>\$ 694</u>

During the first quarter of 2011, we consolidated certain administrative functions in our Utica, New York facility and incurred \$0.7 million in related costs consisting principally of severance charges.

**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 their products, production processes, customer base, distribution methods and regulatory environment. Our CONMED Endosurgery, CONMED Electrosurgery and CONMED Linvatec operating segments also have similar economic characteristics and therefore qualify for aggregation. Our CONMED Patient Care and CONMED Endoscopic Technologies operating units do not qualify for aggregation 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 & 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 which require examination of the digestive tract.

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

	Three months ended March 31,	
	2010	2011
Arthroscopy	\$ 72,253	\$ 75,419
Powered Surgical Instruments	34,990	38,036
CONMED Linvatec	107,243	113,455
CONMED Electrosurgery	23,083	23,572
CONMED Endosurgery	17,080	17,898
CONMED Endosurgery, Electrosurgery and Linvatec	147,406	154,925
CONMED Patient Care	17,159	16,624
CONMED Endoscopic Technologies	11,800	11,901
Total	<u>\$ 176,365</u>	<u>\$ 183,450</u>

Total assets, capital expenditures, depreciation and amortization information are impracticable to present by reportable segment because the necessary information is not available.

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

	Three months ended	
	March 31,	
	2010	2011
CONMED Linvatec, Electrosurgery and Endosurgery	\$ 17,256	\$ 24,275
CONMED Patient Care	346	(736)
CONMED Endoscopic Technologies	199	(190)
Corporate	(4,240)	(6,086)
Income from operations	13,561	17,263
Amortization of debt discount	1,052	1,094
Interest expense	1,749	1,805
Income before income taxes	<u>\$ 10,760</u>	<u>\$ 14,364</u>

**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 subpoenas 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. In some cases we may be entitled to indemnification by third parties. 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, or indemnification obligations of a third party, 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 financial condition, results of operations or cash flows.

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, that the carriers will be solvent or that such insurance will be available to us in the future at a reasonable cost.

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 would not have a material adverse effect on our financial condition, results of operations or cash flows.

**Note 13 – New accounting pronouncements**

In October 2009, the FASB issued new guidance for arrangements with multiple deliverables under which a company is required to use its best estimate of selling price for the deliverables in an arrangement when vendor specific objective evidence or third party evidence of the selling price is not available. We adopted the updated guidance, including the requirement for expanded qualitative and quantitative disclosures, effective January 1, 2011. The implementation of this new guidance did not have a material impact on our consolidated financial statements.

**Note 14 – Restructuring**

We incurred the following restructuring costs:

	<b>Three months ended March 31,</b>	
	<b>2010</b>	<b>2011</b>
New plant/facility consolidation costs	\$ 567	\$ 754
Restructuring costs included in cost of sales	<u>\$ 567</u>	<u>\$ 754</u>
Administrative consolidation costs	\$ -	\$ 694
Restructuring costs included in other expense	<u>\$ -</u>	<u>\$ 694</u>

During 2010 and 2011, we continued our operational restructuring plan which includes the transfer of additional production lines from Utica, New York, Largo, Florida and Goleta, California to our manufacturing facility in Chihuahua, Mexico. We incurred \$0.6 million and \$0.8 million in costs associated with the restructuring during the first quarter of 2010 and 2011. These costs were charged to cost of goods sold and include severance and other charges associated with the transfer of production to Mexico.

Restructuring costs included in other expense are described more fully in Note 10.

**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, 2010 and the following, among others:

- general economic and business conditions;
- changes in foreign exchange and interest rates;
- cyclical customer purchasing patterns due to budgetary and other constraints;
- changes in customer preferences;
- competition;
- changes in technology;
- the introduction and acceptance of new products;
- the ability to evaluate, finance and integrate acquired businesses, products and companies;
- 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;
- quality of our management and business abilities and the judgment of our personnel;
- the availability, terms and deployment of capital;
- the risk of litigation, especially patent litigation as well as the cost associated with patent and other litigation; and
- changes in regulatory requirements.

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, 2010 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 March 31,	
	2010	2011
Arthroscopy	41.0%	41.1%
Powered Surgical Instruments	19.8	20.7
Electrosurgery	13.1	12.8
Patient Care	9.7	9.1
Endosurgery	9.7	9.8
Endoscopic Technologies	6.7	6.5
Consolidated Net Sales	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 months ended March 31, 2011, sales to purchasers outside of the United States accounted for 49.8% 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 long-term 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 as continued innovation and commercialization of new proprietary products and processes are essential elements of our long-term growth strategy. Our reputation as an innovator is exemplified by recent new product introductions such as the 2.8 and 3.3mm PopLock® Knotless Suture Anchors, for repair of unstable shoulders and for use in the emerging Endoscopic hip market; the Concept® Suture Passer, for use in rotator cuff repair; the Sequent™ Meniscal Repair System, which offers suture-locking implant cleats that will provide a knotless repair and allow the surgeon to complete an entire meniscal repair with one device without leaving the joint; CrossFT BC™ biocomposite suture anchor for rotator cuff repair; PRO6140 & PRO6240 pin drivers, to allow the use of one device during procedures such as total joint arthroplasty, trauma, sports medicine surgeries as well as small bone orthopedics ; and the Altrus® Thermal Tissue Fusion System, which utilizes thermal energy to seal, cut, grasp, and dissect vessels up to 7mm in size utilizing a closed feedback loop between the energy source and the single-use handpiece to precisely control the desired effect on tissue.



## **Business Challenges**

Significant volatility in the financial markets and foreign currency exchange rates and depressed economic conditions in both domestic and international markets have recently presented significant business challenges. While we are cautiously optimistic that the overall global economic environment is improving and experienced a return to revenue growth in 2010, there can be no assurance that the improvement in the economic environment will be sustained. We will continue to monitor and manage the impact of the overall economic environment on the Company.

Over the past few years we successfully completed our operational restructuring plans whereby we consolidated manufacturing and distribution centers as well as restructured certain of our administrative functions. We will continue to restructure both operations and administrative functions as necessary throughout the organization. However, we cannot be certain such activities will be completed in the estimated time period or that planned cost savings will be achieved.

Our facilities are subject to periodic inspection by the United States Food and Drug Administration ("FDA") and foreign regulatory agencies or notified bodies for, among other things, conformance to Quality System Regulation and Current Good Manufacturing Practice ("CGMP") requirements and foreign or international standards. 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 initiatives. 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, that we will not make product recalls or that we will not experience temporary or extended periods during which we may not be able to sell products in foreign countries.

## **Critical Accounting Policies**

Preparation of our financial statements requires us to make estimates and assumptions which 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, 2010 describes 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 quarter ended March 31, 2011.

## **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 on a loaned basis in return for commitments to purchase related disposable products over time periods generally ranging from one to three years. In these circumstances, no revenue is recognized upon capital equipment shipment as the equipment is loaned and subject to return if certain minimum disposable purchases are not met. Revenue is recognized upon the sale and shipment of the related disposable products. The cost of the equipment is amortized over its estimated useful life.

- 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.
- We 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 \$1.0 million at March 31, 2011 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.

#### **Goodwill and Intangible Assets**

We have a history of growth through acquisitions. Assets and liabilities of acquired businesses are recorded 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 \$294.9 million and other intangible assets of \$188.4 million as of March 31, 2011.

In accordance with Financial Accounting Standards Board (“FASB”) guidance, 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 reporting units. 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 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. We completed our goodwill impairment testing as of October 1, 2010 and determined that no impairment existed at that date. For our CONMED Electrosurgery, CONMED Endosurgery and CONMED Linvatec operating units, our impairment testing utilized CONMED Corporation's EBIT multiple adjusted for a market-based control premium with the resultant fair values exceeding carrying values by 76% to 121%. Our CONMED Patient Care operating unit has the least excess of fair value over carrying value of our reporting units; we therefore utilized both a market-based approach and an income approach when performing impairment testing with the resultant fair value exceeding carrying value by 15%. The income approach contained certain key assumptions including that revenue would resume historical growth patterns in 2011 while including certain cost savings associated with the operational restructuring plan completed during 2010. We continue to monitor events and circumstances for triggering events which would more likely than not reduce the fair value of any of our reporting units and require us to perform impairment testing.

Intangible assets with a finite life are amortized over the estimated useful life of the asset and are evaluated each reporting period to determine whether events and circumstances warrant a revision to the remaining period of amortization. Intangible assets subject to amortization are reviewed for impairment 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 17 years. The weighted average life for customer relationship assets in aggregate is 34 years.

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 analysis and assessment of actual customer attrition and activity as events and circumstances warrant. 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.

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 income 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 (“the plan”) covering substantially all our United States-based employees. The plan was frozen effective May 14, 2009. 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 weighted-average discount rate used to measure pension liabilities and costs is set by reference to the Citigroup Pension Liability Index. However, this index gives only an indication of the appropriate discount rate because the cash flows of the bonds comprising the index do not precisely match the projected benefit payment stream of the plan. For this reason, we also consider the individual characteristics of the plan, such as projected cash flow patterns and payment durations, when setting the discount rate. The rates used in determining 2010 and 2011 pension expense are 5.86% and 5.41%, respectively.

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.

For the three months ending March 31, 2011 we recorded pension expense of \$0.5 million. Pension expense in 2011 is expected to be \$1.9 million compared to expense of \$0.9 million in 2010. In addition, we will be required to contribute approximately \$2.1 million to the pension plan for the 2011 plan year.

See Note 9 to the Consolidated Condensed Financial Statements for further discussion.

### **Stock Based Compensation**

All share-based payments to employees, including grants of employee stock options, restricted stock units, performance share units and stock appreciation rights are recognized in the financial statements based at their fair values.

Compensation expense is generally recognized using a straight-line method over the vesting period. Compensation expense for performance share units is recognized using the graded vesting method.

### Income Taxes

The recorded future tax benefit arising from deductible temporary differences and tax carryforwards is approximately \$38.3 million at March 31, 2011. Management believes that 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 2009. Tax years subsequent to 2009 are subject to future examination.

### Results of operations

#### *Three months ended March 31, 2011 compared to three months ended March 31, 2010*

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 March 31,	
	2010	2011
Net sales	100.0%	100.0%
Cost of sales	48.0	47.8
Gross profit	52.0	52.2
Selling and administrative expense	40.0	38.2
Research and development expense	4.3	4.2
Other expense	-	0.4
Income from operations	7.7	9.4
Amortization of debt discount	0.6	0.6
Interest expense	1.0	1.0
Income before income taxes	6.1	7.8
Provision for income taxes	2.0	2.9
Net income	4.1%	4.9%

Sales for the quarterly period ended March 31, 2011 were \$183.5 million, an increase of \$7.1 million (4.0%) compared to sales of \$176.4 million in the comparable 2010 period with increases across all product lines except Patient Care. In local currency, excluding the effects of our hedging program, sales increased 4.1%. Sales of capital equipment increased \$3.8 million (10.0%) to \$41.9 million in the first quarter of 2011 from \$38.1 million in the first quarter of 2010; sales of disposable products increased \$3.3 million (2.4%) to \$141.6 million in the first quarter of 2011 from \$138.3 million in the first quarter of 2010. On a local currency basis, excluding the effects of our hedging program, sales of capital equipment increased 10.0% while disposable products increased 2.5%. We believe that the growth in sales of capital equipment may indicate a loosening of capital purchasing restraints at our hospital and other customers as a result of improving global economic conditions.

Cost of sales increased to \$87.7 million in the quarterly period ended March 31, 2011 as compared to \$84.6 million in the same period a year ago. Gross profit margins increased 0.2 percentage points to 52.2% in the quarterly period ended March 31, 2011 as compared to 52.0% in the same period a year ago on increased sales volumes focused in our higher gross profit margin businesses (CONMED Endosurgery, Electrosurgery and Linvatec).

Selling and administrative expense decreased to \$70.1 million in the quarterly period ended March 31, 2011 as compared to \$70.6 million in the same period a year ago as our restructuring and cost control efforts more than offset the unfavorable impact on expenses of foreign currency exchange rates (when compared to the foreign currency exchange rates in the same period a year ago) of approximately \$0.7 million. Selling and administrative expense as a percentage of net sales decreased to 38.2% in the quarterly period ended March 31, 2011 as compared to 40.0% in the same period a year ago as selling and administrative expense declined 0.7% while sales increased 4.0%.

Research and development expense totaled \$7.7 million in both the quarterly periods ended March 31, 2011 and 2010. As a percentage of net sales, research and development expense decreased 0.1 percentage points to 4.2% in the quarterly period ended March 31, 2011 as compared to 4.3% in the same period a year ago as spending remained flat on higher overall sales.

As discussed in Note 10 to the Consolidated Condensed Financial Statements, other expense in the quarterly period ended March 31, 2011 consisted of a \$0.7 million charge related to the consolidation of certain administrative functions in our Utica, New York facility.

Amortization of debt discount totaled \$1.1 million in both the quarterly periods ended March 31, 2011 and 2010.

Interest expense in the quarterly period ended March 31, 2011 was \$1.8 million as compared to \$1.7 million in the same period a year ago. Interest expense increased as higher weighted average interest rates more than offset the effect of lower weighted average borrowings outstanding during the current quarter as compared to the same quarter a year ago. The weighted average interest rates on our borrowings (inclusive of the finance charge on our accounts receivable sale facility for the quarterly period ended March 31, 2010) increased to 3.60% in the quarterly period ended March 31, 2011 as compared to 3.09% in the same period a year ago.

A provision for income taxes has been recorded at an effective tax rate of 37.4% for the quarterly period ended March 31, 2011 compared to the 32.0% effective tax rate recorded in the same period a year ago. The effective tax rate for the quarterly period ended March 31, 2011 is higher than that recorded in the same period a year ago as 2010 included the settlement of our 2008 IRS examination, and a resulting decrease to our reserves and income tax expense. 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, 2010, Note 6 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. 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 their products, production processes, customer base, distribution methods and regulatory environment. Our CONMED Endosurgery, CONMED Electrosurgery and CONMED Linvatec operating segments also have similar economic characteristics and therefore qualify for aggregation. Our CONMED Patient Care and CONMED Endoscopic Technologies operating units do not qualify for aggregation since their economic characteristics do not meet the criteria for aggregation as a result of the lower overall operating income (loss) in these segments.

The following tables summarize the Company's results of operations by segment for the quarterly period ended March 31, 2010 and 2011:

**CONMED Endosurgery, CONMED Electrosurgery and CONMED Linvatec**

	<u>2010</u>	<u>2011</u>
Net sales	\$ 147,406	\$ 154,925
Income from operations	17,256	24,275
Operating margin	11.7%	15.7%

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 \$3.2 million (4.4%) in the quarterly period ended March 31, 2011 to \$75.4 million from \$72.2 million in the comparable 2010 period mainly due to increased sales of soft tissue fixation products such as our Shoulder Restoration System. Sales of capital equipment remained flat at \$17.3 million in the first quarter of 2011 and 2010; sales of disposable products increased \$3.2 million (5.8%) to \$58.1 million in the first quarter of 2011 from \$54.9 million in the first quarter of 2010. On a local currency basis, excluding the effects of our hedging program, total arthroscopy sales increased 4.6% as sales of capital equipment increased 0.6% and sales of disposable products increased 5.9%.
- Powered surgical instrument sales increased \$3.1 million (8.9%) in the quarterly period ended March 31, 2011 to \$38.1 million from \$35.0 million in the comparable 2010 period, as a result of increased sales of our large bone and small bone powered instrument handpieces. Sales of capital equipment increased \$2.9 million (19.6%) to \$17.7 million in the first quarter of 2011 from \$14.8 million in the first quarter of 2010; sales of disposable products increased \$0.2 million (1.0%) to \$20.4 million in the first quarter of 2011 from \$20.2 million in the first quarter of 2010. On a local currency basis, excluding the effects of our hedging program, total powered surgical instrument sales increased 8.9% as sales of capital equipment increased 19.7% and disposable products increased 1.0%.
- Electrosurgery sales increased \$0.5 million (2.2%) in the quarterly period ended March 31, 2011 to \$23.6 million from \$23.1 million in the comparable 2010 period, as a result of increased sales of new smoke evacuation accessories. Sales of capital equipment increased \$0.9 million (15.0%) to \$6.9 million in the first quarter of 2011 from \$6.0 million in the first quarter of 2010; sales of disposable products decreased \$0.4 million (-2.3%) to \$16.7 million in the first quarter of 2011 from \$17.1 million in the first quarter of 2010. On a local currency basis, excluding the effects of our hedging program, total electrosurgery sales increased 1.7% as sales of capital equipment increased 13.3% while disposable products decreased 2.4%.

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- Endosurgery sales increased \$0.8 million (4.7%) in the quarterly period ended March 31, 2011 to \$17.9 million from \$17.1 million in the comparable 2010 period as a result of increased sales of our VCARE products. On a local currency basis, excluding the effects of our hedging program, sales increased 5.3%.
- Operating margins as a percentage of net sales increased 4.0 percentage points to 15.7% in 2011 compared to 11.7% in 2010 principally as a result of lower spending on selling and administrative expenses (3.1 percentage points), lower research and development spending due principally to timing of CONMED Linvatec related projects (0.6 percentage points) and higher gross margins on increased sales volumes (0.3 percentage points).

**CONMED Patient Care**

	<u>2010</u>	<u>2011</u>
Net sales	\$ 17,159	\$ 16,624
Income (loss) from operations	346	(736)
Operating margin	2.0%	-4.4%

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

- Patient care sales decreased \$0.6 million (-3.5%) in the quarterly period ended March 31, 2011 to \$16.6 million from \$17.2 million in the comparable 2010 period as a result of decreased sales of I.V. devices and ECG electrodes. On a local currency basis, excluding the effects of our hedging program, sales decreased 2.9%.
- Operating margins as a percentage of net sales decreased 6.4 percentage points to -4.4% in 2011 compared to 2.0% in 2010. The decrease in operating margins of 6.4 percentage points was driven by \$0.5 million in administrative restructuring charges (3.0 percentage points) and lower gross margins as a result of lower sales volumes (3.7 percentage points), offset by lower administrative expenses (0.3 percentage points).

**CONMED Endoscopic Technologies**

	<u>2010</u>	<u>2011</u>
Net sales	\$ 11,800	\$ 11,901
Income (loss) from operations	199	(190)
Operating margin	1.7%	-1.6%

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 of disposable products remained relatively flat with a \$0.1 million (0.8%) increase in the quarterly period ended March 31, 2011 to \$11.9 million from \$11.8 million in the comparable 2010 period as a result of higher polypectomy sales. On a local currency basis, excluding the effects of our hedging program, sales were also flat.
- Operating margins as a percentage of net sales decreased 3.3 percentage points to -1.6% in 2011 compared to 1.7% in 2010. The decrease is principally a result of \$0.2 million in administrative restructuring charges (1.7 percentage points) and increased research and development costs (1.6 percentage points).

### **Liquidity and capital resources**

Our liquidity needs arise primarily from capital investments, working capital requirements and payments on indebtedness under our 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. 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.

### **Cash provided by operations**

Our net working capital position was \$177.5 million at March 31, 2011. Net cash provided by operating activities was \$20.7 million in the quarterly period ended March 31, 2011 and \$-12.9 million in the quarterly period ended March 31, 2010.

Net cash provided by operating activities increased by \$33.6 million in 2011 as compared to 2010 on a \$1.7 million increase in net income in the current quarter as compared to the same period a year ago. The increase in cash provided by operating activities is primarily the result of a new accounting pronouncement effective January 1, 2010, which required accounts receivable sold under our accounts receivable sale agreement to be recorded as additional borrowings rather than as a reduction in accounts receivable. Accordingly, in the quarter ended March 31, 2010, \$29.0 million in cash collections related to accounts receivable sold prior to January 1, 2010 have been presented as a reduction in cash from operations while net sales of additional accounts receivable generated subsequent to January 1, 2010 have been reflected as an increase in cash flows from financing activities. We terminated this agreement on November 4, 2010 at which time we repaid the outstanding balance in full.

### **Investing cash flows**

Net cash used in investing activities in the quarterly period ended March 31, 2011 consisted primarily of capital expenditures. Capital expenditures were \$3.3 million and \$4.1 million for the quarterly periods ended March 31, 2010 and 2011, respectively and are expected to approximate \$20.0 million in 2011.

### **Financing cash flows**

Net cash used in financing activities during 2011 consisted of the following: \$1.3 million in proceeds from the issuance of common stock under our equity compensation plans and employee stock purchase plan, \$13.0 million in repayments on our revolver under our senior credit agreement and \$0.3 million in repayments of term borrowings under our senior credit agreement.

On November 30, 2010, we entered into the First Amendment to our Amended and Restated Credit Agreement (the "senior credit agreement") providing for an expanded revolving credit facility expiring on November 30, 2015. The senior credit agreement continues to consist of a \$135.0 million term loan of which \$54.6 million was outstanding as of March 31, 2011. There were \$9.0 million in borrowings outstanding on the revolving credit facility as of March 31, 2011. Our available borrowings on the revolving credit facility at March 31, 2011 were \$231.5 million with approximately \$9.5 million of the facility set aside for outstanding letters of credit.

Borrowings outstanding on the revolving credit facility are due and payable on November 30, 2015. The scheduled principal payments on the term loan portion of the senior credit agreement are \$1.0 million for the remainder of 2011, with the remaining balance of \$53.6 million due and payable in 2012. 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% (1.75% at March 31, 2011) or an alternative base rate; interest rates on the revolving credit facility portion of the senior credit agreement are at LIBOR plus 1.75% (2.02% at March 31, 2011) 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 property and assets. 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 March 31, 2011. We are also required, under certain circumstances, to make mandatory prepayments from net cash proceeds from any issuance of equity and asset sales.

We have a mortgage note outstanding in connection with the property and facilities utilized by our CONMED Linvatec subsidiary bearing interest at 8.25% per annum with semiannual payments of principal and interest through June 2019. The principal balance outstanding on the mortgage note aggregated \$10.5 million at March 31, 2011. The mortgage note is collateralized by the CONMED Linvatec property and facilities.

We have outstanding \$112.1 million in 2.50% convertible senior subordinated notes due 2024 ("the Notes"). 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). As of March 31, 2011, there was no value assigned to the conversion feature because the Company's share price was below the conversion price. The Notes mature on November 15, 2024 and are not redeemable by us prior to November 15, 2011.

Holders of the Notes have the right to put to us some or all of the Notes for repurchase on November 15, 2011, 2014 and 2019 and, provided the terms of the indenture are satisfied, we will be required to repurchase those Notes, and therefore we have classified the Notes as a current liability. If the Notes are put to us on November 15, 2011, we plan to utilize our \$250.0 million revolving credit facility for payment of the Notes.

The Notes contain two embedded derivatives. The embedded derivatives are recorded at fair value in other long-term liabilities and changes in their value are recorded through the consolidated statements of operations. The embedded derivatives have a nominal value, and it is our belief that any change in their fair value would not have a material adverse effect on our business, financial condition, results of operations, or cash flows.

Our Board of Directors has authorized a share repurchase program under which we may repurchase up to \$100.0 million of our common stock, although no more than \$50.0 million in any calendar year. We did not repurchase any shares during the first quarter of 2011. The remaining availability under the Board of Directors' authorization for stock repurchases is \$23.8 million. In the past, we have financed the repurchases and may finance additional repurchases through operating cash flow and from available borrowings under our revolving credit facility.

Management believes that cash flow from operations, including 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. See "Item 1. Business – Forward Looking Statements."

### **Restructuring**

During 2010 and 2011, we continued our operational restructuring plan which includes the transfer of additional production lines from Utica, New York, Largo, Florida and Goleta, California to our manufacturing facility in Chihuahua, Mexico. We incurred \$0.8 million in costs associated with the restructuring during the first quarter of 2011. These costs were charged to cost of goods sold and include severance and other charges associated with the transfer of production to Mexico.

During the first quarter of 2011, we consolidated certain administrative functions in our Utica, New York facility and incurred \$0.7 million in related costs consisting principally of severance charges.

We will continue to restructure both our operations and administrative functions as necessary throughout the organization. As the restructuring plan progresses, we will incur additional charges, including employee termination costs and other exit costs. Based on criteria included in FASB guidance, no material accruals have been recorded at this time. We estimate restructuring costs will approximate \$3.0 million to \$4.0 million in 2011 and will be recorded to cost of goods sold and other expense.

See Note 14 to the Consolidated Condensed Financial Statements for further discussions regarding restructuring.

**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 month period ended March 31, 2011. Reference is made to Item 7A. of our Annual Report on Form 10-K for the year-ended December 31, 2010 for a description of Qualitative and Quantitative Disclosures About Market Risk.

**Item 4. CONTROLS AND PROCEDURES**

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 March 31, 2011. 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 March 31, 2011 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, 2010 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**

<b><u>Exhibit No.</u></b>	<b><u>Description of Exhibit</u></b>
3.1	Amended By-Laws of the Company
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: April 29, 2011

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

**Exhibit Index**

<b><u>Exhibit</u></b>		<b><u>Sequential Page Number</u></b>
<a href="#">3.1</a>	Amended By-Laws of the Company	E-1
<a href="#">31.1</a>	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-13
<a href="#">31.2</a>	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-14
<a href="#">32.1</a>	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-15

AMENDED AND RESTATED BY-LAWS  
OF  
CONMED CORPORATION  
(Formed under the New York Business Corporation Law)  
As adopted by the Board of Directors Effective  
April 29, 2011

ARTICLE I

Shareholders

Section 1.1. Annual Meeting. A meeting of shareholders shall be held annually for the election of directors and the transaction of other business on such date as may be designated by the Board of Directors from time to time.

Section 1.2. Special Meetings. Special meetings of the shareholders may be called by the Board of Directors, the Chairman of the Board, if any, or the President.

Section 1.3. Place of Meetings. Meetings of shareholders shall be held at such place, within or without the State of New York, as may be fixed by the Board of Directors. If no place is so fixed, such meetings shall be held at the principal office of the Corporation in the State of New York.

Section 1.4. Notice of Meetings. Written notice of each meeting of shareholders shall be given stating the place, date and hour of the meeting and the purpose or purposes for which the meeting is called. Notice of a special meeting of shareholders shall indicate that it is being issued by or at the direction of the person or persons calling the meeting.

If, at any meeting of shareholders, action is proposed to be taken which would, if taken, entitle objecting shareholders to receive payment for their shares, the notice of such meeting shall include a statement of that purpose and to that effect.

A copy of the notice of each meeting of shareholders shall be given, personally or by first class mail, not less than ten nor more than fifty days before the date of the meeting, to each shareholder entitled to vote at meeting. If mailed, such notice shall be deemed given when deposited in the United States mail, with postage thereon prepaid, directed to the shareholder at his address as it appears on the record of shareholders, or, if he shall have filed with the Secretary of the Corporation a written request that notices to him be mailed to some other address, then directed to him at such other address.

When a meeting of shareholders is adjourned to another time or place, it shall not be necessary to give any notice of the adjourned meeting if the time and place to which the meeting is adjourned are announced at the meeting at which the adjournment is taken, and at the adjourned meeting any business may be transacted that might have been transacted on the original date of the meeting. However, if after the adjournment the Board of Directors fixes a new record date for the adjourned meeting, a notice of the adjourned meeting shall be given to each shareholder of record on the new record date entitled to notice under the preceding paragraphs of this Section 1.4.

Section 1.5. Waiver of Notice. Notice of meeting need not be given to any shareholder who submits a signed waiver of notice, in person or by proxy, whether before or after the meeting. The attendance of any shareholder at a meeting, in person or by proxy, without protesting prior to the conclusion of the meeting the lack of notice of such meeting, shall constitute a waiver of notice by him.

Section 1.6. Inspectors. Voting at meetings of shareholders need not be conducted by inspectors unless a shareholder present in person or by proxy and entitled to vote at such meeting so requests. The Board of Directors, in advance of any shareholders' meeting, may appoint one or more inspectors to act at the meeting or any adjournment thereof. If inspectors are not so appointed, the person presiding at a shareholders' meeting may, and on the request of any shareholder entitled to vote thereat shall, appoint two inspectors.



In case any person appointed fails to appear or act, the vacancy may be filled by appointment made by the Board in advance of the meeting or at the meeting by the person presiding thereat. Each inspector, before entering upon the discharge of his duties, shall take and sign an oath faithfully to execute the duties of inspector at such meeting with strict impartiality and according to the best of his ability.

The inspectors shall determine the number of shares outstanding and the voting power of each, the shares represented at the meeting, the existence of a quorum and the validity and effect of proxies, and shall receive votes, ballots or consents, hear and determine all challenges and questions arising in connection with the right to vote, count and tabulate all votes, ballots or consents, determine the result, and do such acts as are proper to conduct the election or vote with fairness to all shareholders. On request of the person presiding at the meeting or any shareholder entitled to vote thereat, the inspectors shall make a report in writing of any challenge, question or matter determined by them and execute a certificate of any fact found by them.

Section 1.7. List of Shareholders at Meetings. A list of shareholders as of the record date, certified by the Secretary or any Assistant Secretary or by a transfer agent, shall be produced at any meeting of shareholders upon the request thereat or prior thereto of any shareholder. If the right to vote at any meeting is challenged, the inspectors, or person presiding thereat, shall require such list of shareholders to be produced as evidence of the right of the persons challenged to vote at such meeting, and all persons who appear from such list to be shareholders entitled to vote thereat may vote at such meeting.

Section 1.8. Qualification of Voters. Every shareholder of record shall be entitled at every meeting of shareholders to one vote for every share standing in his name on the record of shareholders, unless otherwise provided in the certificate of incorporation.

Treasury shares as of the record date and shares held as of the record date by another domestic or foreign corporation of any type or kind, if a majority of the shares entitled to vote in the election of directors of such other corporation is held as of the record date by the Corporation, shall not be shares entitled to vote or to be counted in determining the total number of outstanding shares.

Shares held by an administrator, executor, guardian, conservator, committee or other fiduciary, except a trustee, may be voted by him or it, either in person or by proxy, without transfer of such shares into his or its name.

Shares held by a trustee may be voted by him or it, either in person or by proxy, only after the shares have been transferred into his or its name as trustee or into the name of his or its nominee.

Shares standing in the name of another domestic or foreign corporation of any type or kind may be voted by such officer, agent or proxy as the by-laws of such corporation may provide, or, in the absence of such provision, as the board of directors of such corporation may determine.

A shareholder shall not sell his vote or issue a proxy to vote to any person for any sum of money or anything of value except as permitted by law.

Section 1.9. Quorum of Shareholders. The holders of a majority of the shares entitled to vote thereat shall constitute a quorum at the meeting of shareholders for the transaction of any business, provided that when a specified item of business is required to be voted on by a class or series, voting as a class, the holders of a majority of the shares of such class or series shall constitute a quorum for the transaction of such specified items of business.

When a quorum is once present to organize a meeting, it is not broken by the subsequent withdrawal of any shareholders.

The shareholders present in person or by proxy and entitled to vote may, by a majority of the votes cast, adjourn the meeting despite the absence of a quorum.

Section 1.10. Proxies. Every shareholder entitled to vote at a meeting of shareholders or to express consent or dissent without a meeting may authorize another person or persons to act for him by proxy.

Every proxy must be signed by the shareholder or his attorney-in-fact. No proxy shall be valid after the expiration of eleven months from the date thereof unless otherwise provided in the proxy. Every proxy shall be revocable at the pleasure of the shareholder executing it, except as otherwise provided by law.

The authority of the holder of a proxy to act shall not be revoked by the incompetence or death of the shareholder who executed the proxy, unless, before the authority is exercised, written notice of an adjudication of such incompetence or of such death is received by the Secretary or any Assistant Secretary.

Section 1.11. Vote or Consent of Shareholders. Directors shall, except as otherwise required by law or by the certificate of incorporation, be elected by a plurality of the votes cast at a meeting of the shareholders by the holders of shares entitled to vote in the election.

Whenever any corporate action, other than the election of directors, is to be taken by vote of the shareholders, it shall, except as otherwise required by law or by the certificate of incorporation, be authorized by a majority of the votes cast at the meeting of shareholders by the holders of shares entitled to vote thereon.

Whenever shareholders are required or permitted to take any action by vote, such action may be taken without a meeting or written consent, setting forth the action so taken, signed by the holders of all outstanding shares entitled to vote thereon. Written consent thus given by the holders of all outstanding shares entitled to vote shall have the same effect as a unanimous vote of shareholders.

Section 1.12. Fixing Record Date. For the purpose of determining the shareholders entitled to notice of or to vote any meeting of shareholders or any adjournment thereof, or to express consent to or dissent from any proposal without a meeting, or for the purpose of determining shareholders entitled to receive payment of any dividend or the allotment of any rights, or for the purpose of any other action, the Board of Directors may fix, in advance, a date as the record date for any such determination of shareholders. Such date shall neither be more than fifty nor less than ten days before the date of such meeting, nor more than fifty days prior to any other action.

If no record date is fixed: (1) the record date for the determination of shareholders entitled to notice of or to vote at a meeting of shareholders shall be at the close of business on the day next preceding the day on which notice is given, or if no notice is given, the day on which the meeting is held; and (2) the record date for determining shareholders for any other purpose shall be at the close of business on the day on which the resolution of the Board of Directors relating thereto is adopted.

When a determination of shareholders of record entitled to notice of or to vote at any meeting of shareholders has been made as provided in this Section, such determination shall apply to any adjournment thereof, unless the Board of Directors fixes a new record date for the adjourned meeting.

Section 1.13. Actions to be Taken at an Annual Meeting of Shareholders. No business shall be transacted at an annual meeting of shareholders, except such business as shall be (a) specified in the notice of meeting given as provided in Section 1.4, (b) otherwise brought before the meeting by or at the direction of the Board of Directors, or (c) otherwise brought before the meeting by a shareholder of record of the Corporation entitled to vote at the meeting in compliance with the procedure set forth in this Section 1.13. For business to be brought before an annual meeting by a

shareholder pursuant to (c) above, written notice by the shareholder must be addressed and delivered to the Corporation, or mailed to the Corporation, postage prepaid, and received, at the principal executive offices of the Corporation not less than sixty days nor more than ninety days prior to the meeting; provided, however, that in the event that less than seventy days' notice or prior public disclosure of the date of the meeting is given or made to shareholders, such notice by the shareholder must be so delivered or received not later than the close of business on the tenth day following the day on which such notice of the date of the meeting or such public disclosure was made. Notice of actions to be brought before the annual meeting pursuant to (c) above shall set forth as to each matter the shareholder proposes to bring before the annual meeting (a) a brief description of the business desired to be brought before the annual meeting and the reasons for bringing such business before the annual meeting, and (b) as to the shareholder giving the notice, (i) whether the shareholder is providing the notice at the request of a beneficial holder of shares, whether the shareholder, any such beneficial holder or any nominee has any agreement, arrangement or understanding with, or has received any financial assistance, funding or other consideration from, any other person with respect to the investment by the shareholder or such beneficial holder in the Corporation or the matter the notice relates to, and the details thereof, including the name of such other person (the shareholder, any beneficial holder on whose behalf the notice is being delivered, any nominees listed in the notice and any persons with whom such agreement, arrangement or understanding exists or from whom such assistance has been obtained are hereinafter collectively referred to as "Interested Persons"), (ii) the name and address of all Interested Persons, (iii) a complete listing of the record and beneficial ownership positions (including number or amount) of all equity securities and debt instruments, whether held in the form of loans or capital market instruments, of the Corporation or any of its subsidiaries held by all Interested Persons, (iv) whether and the extent to which any hedging, derivative or other transaction is in place or has been entered into within the prior six months preceding the date of delivery of the notice by or for the benefit of any Interested Person with respect to the Corporation or its subsidiaries or any of their respective securities, debt instruments or credit ratings, the effect or intent of which transaction is to give rise to gain or loss as a result of changes in the trading price of such securities or debt instruments or changes in the credit ratings for the Corporation, its subsidiaries or any of their respective securities or debt instruments (or, more generally, changes in the perceived creditworthiness of the Corporation or its subsidiaries), or to increase or decrease the voting power of such Interested Person, and if so, a summary of the material terms thereof, and (v) a representation that the shareholder is a holder of record of stock of the Corporation that would be entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose the matter set forth in the notice. As used herein, "beneficially owned" has the meaning provided in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934. The notice shall be updated not later than 10 days after the record date for the determination of shareholders entitled to vote at the meeting to provide any material changes in the foregoing information as of the record date.

Notwithstanding anything in these by-laws to the contrary, no business shall be conducted at an annual meeting except in accordance with the provisions set forth in this Section 1.13. The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that any business was not properly brought before the meeting in accordance with the provisions prescribed by these by-laws and, if he should so determine, he shall so declare to the meeting and, to the extent permitted by law, any such business not so properly brought before the meeting shall not be transacted.

## ARTICLE II

### Board of Directors

Section 2.1. Power of Board and Qualification of Directors. The business of the Corporation shall be managed under the direction of the Board of Directors. Each director shall be at least eighteen years of age.

Section 2.2. Number of Directors. The number of directors constituting the entire Board of Directors shall be the number, not less than three, fixed from time to time by a majority of the total number of directors which the Corporation would have, prior to any increase or decrease, if there were no vacancies, provided that no decrease shall shorten the term of any incumbent director.

Until otherwise fixed by the directors, the number directors constituting the entire Board shall be four.

Section 2.3. Election and Term of Directors. At each annual meeting of shareholders, directors shall be elected to hold office until the next annual meeting and until their successors have been elected and qualified.

Section 2.4. Quorum of Directors and Action by the Board. Unless a greater proportion is required by law or by the certificate of incorporation, one-half of the entire Board of Directors shall constitute a quorum for the transaction of business or of any specified item of business. Except where otherwise provided by law or in the certificate of incorporation or these by-laws, the vote of a majority of the directors present at a meeting at the time of such vote, if a quorum is then present, shall be the act of the Board.

Any action required or permitted to be taken by the Board of Directors may be taken without a meeting if all members of the Board consent in writing to the adoption of a resolution authorizing the action. The resolution and the written consents by the members of the Board shall be filed with the minutes of the proceedings of the Board.

Except as otherwise provided by law, all corporate action to be taken by the Board of Directors shall be taken at a meeting of the Board or by unanimous written consent. Any one or more members of the Board of Directors may participate in a meeting of the Board by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time, and participation by such means shall constitute presence in person at such meeting.

Section 2.5. Meetings of the Board. An annual meeting of the Board of Directors shall be held in each year as soon as practicable after the annual meeting of shareholders. Regular meetings of the Board shall be held at such times as may be fixed by the Board. Special meetings of the Board may be held at any time whenever called by the Chairman of the Board, if any, the President or any two directors.

Meetings of the Board of Directors shall be held at such places within or without the State of New York as may be fixed by the Board for annual and regular meetings and in the notice of meeting for special meetings.

No notice need be given of annual or regular meetings of the Board of Directors. Notice of each special meeting of the Board shall be given to each director either by mail not later than noon, New York time, on the third day prior to the meeting or by telegram, by written message or orally to the director not later than noon, New York time, on the day prior to the meeting. Notices shall be deemed to have been given by mail when deposited in the United States mail, by telegram at the time of filing, and by messenger at the time of delivery by the messenger. Notices by mail, telegram or messenger shall be sent to each director at the address designated by him for that purpose, or, if none has been so designated, at his last known residence or business address.

Notice of a meeting of the Board of Directors need not be given to any director who submits a signed waiver of notice whether before or after the meeting, or who attends the meeting without protesting, prior thereto or at its commencement, the lack of notice to him.

A notice or waiver of notice need not specify the purpose of any meeting of the Board of Directors.

A majority of the directors present, whether or not a quorum is present, may adjourn any meeting to another time and place. Notice of any adjournment of a meeting to another time or place shall be given in the manner described above to the directors who were not present at the time of the adjournment and, unless such time and place are announced at the meeting, to the other directors.

Section 2.6. Resignation. Any director of the Corporation may resign at any time by giving written notice to the Board of Directors or to the Chairman of the Board, if any, or the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective.

Section 2.7. Removal of Directors. Directors shall be subject to removal only for cause, by action of the Board of Directors or a vote of the shareholders.

Section 2.8. Newly Created Directorships and Vacancies. Newly created directorships resulting from an increase in the number of directors and vacancies occurring in the Board of Directors for any reason except the removal of directors by the shareholders may be filled by vote of the Board. If the number of directors then in office is less than a quorum, such newly created directorships and vacancies may be filled by vote of a majority of the directors then in office. Vacancies occurring by reason of the removal of directors by the shareholders shall be filled by vote of the shareholders. A director elected to fill a vacancy, unless elected by the shareholders, shall hold office until the next meeting of shareholders at which the election of directors is in the regular order of business, and until his successor has been elected and qualified.

Section 2.9. Compensation of Directors. The Board of Directors shall have authority to fix the compensation of directors for services in any capacity.

Section 2.10. Nominations for Elections of Directors. Subject to the rights of holders of any class or series of stock having a preference over the Common Stock as to dividends or upon liquidation, only persons who are nominated in accordance with the provisions set forth in this Section 2.10 shall be eligible to be elected as directors at an annual or special meeting of shareholders. Nominations of persons for the election of directors may be made by the Board of Directors or a committee appointed by the Board of Directors, or by any shareholder entitled to vote in the election of directors generally if written notice of such shareholder's intent to make such nomination or nominations has been addressed and delivered to the Corporation, or mailed to the Corporation, postage prepaid, at the principal executive offices of the Corporation not later than (i) with respect to an election to be held at an annual meeting of shareholders, sixty nor more than ninety days prior to such meeting, and (ii) with respect to an election to be held at a special meeting of shareholders for the election of directors, the close of business on the tenth day following the date on which notice of such meeting is first given to shareholders; provided, however, that in the event that less than seventy days' notice or prior public disclosure of the date of an annual meeting is given or made to shareholders, such notice by the shareholder must be so delivered and received not later than the close of business on the tenth day following the day on which such notice of the date of the annual meeting or such public disclosure was made. Each such shareholder notice to the Corporation shall set forth: (i) the information regarding each nominee required by paragraphs (a), (e) and (f) of Item 401 of Regulation S-K adopted by the Securities and Exchange Commission (or the corresponding provisions of any successor regulation), (ii) each nominee's signed consent to serve as a director of the Corporation if elected, and (iii) whether each nominee is eligible for consideration as an independent director under the relevant standards contemplated by Item 407(a) of Regulation S-K (or the corresponding provisions of any successor regulation), and (b) as to the shareholder giving the notice, (i) whether the shareholder is providing the notice at the request of a beneficial holder of shares, whether the shareholder, any such beneficial holder or any nominee has any agreement, arrangement or understanding with, or has received any financial assistance, funding or other consideration from, any other Interested Person with respect to the investment by the shareholder or such beneficial holder in the Corporation, including the name of such other Interested Person, (ii) the name and address of all Interested Persons, (iii) a complete listing of the record and beneficial ownership positions (including number or amount) of all equity securities and debt instruments, whether held in the form of loans or capital market instruments, of the Corporation or any of its subsidiaries held by all Interested Persons, (iv) whether and the extent to which any hedging, derivative or other transaction is in place or has been entered into within the prior six months preceding the date of delivery of the notice by or for the benefit of any Interested Person with respect to the Corporation or its subsidiaries or any of their respective securities, debt instruments or credit ratings, the effect or intent of which transaction is to give rise to gain or loss as a result of changes in the trading price of such securities or debt instruments or changes in the credit ratings for the Corporation, its subsidiaries or any of their respective securities or debt instruments (or, more generally, changes in the perceived creditworthiness of the Corporation or its subsidiaries), or to increase or decrease the voting power of such Interested Person, and if so, a summary of the material terms thereof, and (v) a representation that the shareholder is a holder of record of stock of the Corporation that would be entitled to vote at the meeting and intends to appear in person or by proxy at the meeting to propose the matter set forth in the notice.

As used herein, “beneficially owned” has the meaning provided in Rules 13d-3 and 13d-5 under the Securities Exchange Act of 1934. The notice shall be updated not later than 10 days after the record date for the determination of shareholders entitled to vote at the meeting to provide any material changes in the foregoing information as of the record date. The Corporation may also require any proposed nominee to furnish such other information, including completion of the Corporation’s directors questionnaire, as it may reasonably require determining whether the nominee would be considered “independent” as a director or as a member of a committee of the Board of Directors under the various rules and standards applicable to the Corporation. At the request of the Board, any person nominated by the Board for election as a director shall furnish to the Secretary that information required to be set forth in a shareholder’s notice of nomination which pertains to the nominee. The Chairman of the meeting shall, if the facts warrant, determine and declare to the meeting that a nomination was not made in accordance with the provisions prescribed by these by-laws and, if he should so determine, he shall so declare to the meeting that the defective nomination shall be disregarded.

### ARTICLE III

#### Executive and Other Committees

Section 3.1. Executive and Other Committees of Directors. The Board of Directors, by resolution adopted by a majority of the entire Board, may designate from among its members an executive committee and other committees, each consisting of three or more directors, and each of which, to the extent provided in the resolution, shall have all the authority of the Board, except that no such committee shall have authority as to the following matters:

- (1) The submission to shareholders of any action that needs shareholders’ approval;
- (2) The filling of vacancies in the Board or in any committee thereof;
- (3) The fixing of compensation of the directors for serving on the Board or on any committee thereof;
- (4) The amendment or repeal of the bylaws, or the adoption of new by-laws;
- (5) The amendment or repeal of any resolution of the Board which, by its terms, shall not be so amendable or repealable; or
- (6) The removal or indemnification of directors.

The Board of Directors may designate one or more directors as alternate members of any such committee, who may replace any absent member or members at any meeting of such committee.

Unless the Board of Directors otherwise provides, each committee designated by the Board may adopt, amend and repeal rules for the conduct of its business. In the absence of a provision by the Board of Directors or a provision in the rules of such committee to the contrary, a majority of the entire authorized number of members of such committee shall constitute a quorum for the transaction of business, the vote of a majority of the members present at a meeting at the time of such vote if a quorum is then present or the unanimous written consent of all members thereof shall be the act of such committee, any one or more members of such committee may participate in a meeting of such committee by means of a conference telephone or similar communications equipment allowing all persons participating in the meeting to hear each other at the same time and participation by such means shall constitute presence in person at such meeting, and in other respects each committee shall conduct its business in the same manner as the Board of Directors conducts its business pursuant to Article II of these by-laws.

Each such committee shall serve at the pleasure of the Board of Directors.

#### ARTICLE IV

##### Officers

Section 4.1. Officers. As soon as practicable after the annual meeting of shareholders in each year, the Board of Directors shall elect or appoint a President, a Secretary and a Treasurer, and it may, if it so determines, elect or appoint from among its members a Chairman of the Board and one or more Vice-Chairmen of the Board. The Board may also elect or appoint one or more Vice-Presidents, Assistant Vice-Presidents, Assistant Secretaries and Assistant Treasurers and may give any of them such further designations or alternate titles as it considers desirable. Any two or more offices may be held by the same person, except the offices of President and Secretary.

Section 4.2. Term of Office; Resignation; Removal; Vacancies. Except as otherwise provided in the resolution of the Board of Directors electing or appointing any officer, all officers shall be elected or appointed to hold office until the meeting of the Board of Directors following the next succeeding annual meeting of shareholders. Each officer shall hold office for the term for which he is elected or appointed, and until his successor has been elected or appointed and qualified. Any officer may resign at any time by giving written notice to the Board or to the Chairman of the Board, if any, or the President or the Secretary of the Corporation. Such resignation shall take effect at the time specified therein, and unless otherwise specified therein no acceptance of such resignation shall be necessary to make it effective. Any officer may be removed by the Board, with or without cause, at any time. Removal of an officer without cause shall be without prejudice to his contract rights, if any, with the Corporation, but the election or appointment of an officer shall not of itself create contract rights. Any vacancy occurring in any office of the Corporation by death, resignation, removal, or otherwise may be filled for the unexpired portion of the term by the Board.

Section 4.3. Powers and Duties. The officers of the Corporation shall have such authority and perform such duties in the management of the Corporation as may be prescribed by the Board of Directors and, to the extent not so prescribed, as generally pertain to their respective offices, subject to the control of the Board. Securities of other corporations held by the Corporation may be voted by any officer designated by the Board and, in the absence of any such designation, by the President, any Vice-President, the Secretary or the Treasurer. The Board may require any officer, agent or employee to give security for the faithful performance of his duties.

#### ARTICLE V

##### Shares and Transfer of Shares

Section 5.1. Forms of Share Certificates. The shares of the Corporation may be represented by certificates or may be uncertificated shares. Except as otherwise expressly provided by law, the rights and obligations of the holders of uncertificated shares and the rights and obligations of the holders of certificates representing shares of the same class and series shall be identical.

Shares represented by certificates shall be in such forms as the Board of Directors may prescribe, signed by the Chairman or a Vice-Chairman of the Board or the President or a Vice-President and the Secretary or an Assistant Secretary or the Treasurer or an Assistant Treasurer, and may be sealed with the seal of the Corporation or a facsimile thereof.

The signatures of the officers upon a certificate may be facsimiles if the certificate is countersigned by a transfer agent or registered by a registrar other than the Corporation itself or its employee or if the shares are listed on a national securities exchange. In case any officer who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer before such certificate is issued, it may be issued by the Corporation with the same effect as if he or she were such officer at the date of issue. Each certificate representing shares shall state upon the face thereof (1) that the Corporation is formed under the laws of the State of New York; (2) the name of the person or persons to whom issued; and (3) the number and class of shares, and the designation of the series, if any, which such certificate represents.

Within a reasonable time after the issuance of uncertificated shares, or within two business days after a transfer of uncertificated shares, the Corporation shall send a written notice to the registered owner of such shares and to any other party required by law to receive such notice. Each such notice shall be signed by or on behalf of the Corporation and shall state (1) that the Corporation is formed under the laws of the State of New York; (2) the name of the person or persons to whom issued; (3) the number and class of shares, and the designation of the series, if any, with respect to which such notice was issued; and (4) any other information required by law to be contained therein.

Section 5.2. Transfers of Shares. Shares represented by certificates of the Corporation shall be transferable on the record of shareholders upon presentation to the Corporation or a transfer agent of a certificate or certificates representing the shares requested to be transferred, with proper endorsement on the certificate or on a separate accompanying document, together with such evidence of the payment of transfer taxes and compliance with other provisions of law as the Corporation or its transfer agent may require. Uncertificated shares of the Corporation shall be transferable on the record of shareholders upon presentation to the Corporation or a transfer agent of a transfer request indicating the shares requested to be transferred, with proper endorsement on a separate accompanying document, together with such evidence of the payment of transfer taxes and compliance with other provisions of law as the Corporation or its transfer agent may require.

Section 5.3. Lost, Stolen or Destroyed Share Certificates. The Corporation may issue a new certificate for shares represented by certificates in place of any certificate theretofore issued by it, alleged to have been lost or destroyed, and the Corporation may require the owner of the lost or destroyed certificate, or such owner's legal representative, to give the Corporation a bond sufficient to indemnify it against any claim that may be made against it on account of the alleged loss or destruction of any such certificate or the issuance of any such new certificate.

## ARTICLE VI

### Other Matters

Section 6.1. Corporate Seal. The Board of Directors may adopt a corporate seal; alter such seal at pleasure, and authorize it to be used by causing it or a facsimile to be affixed or impressed or reproduced in any other manner.

Section 6.2. Fiscal Year. The fiscal year of the Corporation shall be fixed by the Board of Directors.

Section 6.3. When Notice or Lapse of Time Unnecessary. Whenever for any reason the Corporation or the Board of Directors or any committee thereof is authorized to take any action after notice to any person or persons or after the lapse of a prescribed period of time, such action may be taken without notice and without the lapse of such period of time if at any time before or after such action is completed the person or persons entitled to such notice or entitled to participate in the action to be taken or, in the case of a shareholder, his attorney-in-fact, submit a signed waiver of notice of such requirements.



Section 6.4. Books to be Kept. The Corporation shall keep (a) correct and complete books and records of account, (b) minutes of the proceedings of the shareholders, Board of Directors and Executive Committee, if any, and (c) a current list of the directors and officers and their residence addresses; and the Corporation shall also keep at its principal office in the State of New York or at the office of its transfer agent or registrar in the State of New York, if any, a record containing the names and addresses of all shareholders, the number and class of shares held by each and the dates when they respectively became the owners of record thereof. Any of the foregoing books, minutes or records may be in written form or in any other form capable of being converted into written form within a reasonable time.

The Board of Directors may determine whether and to what extent and at what times and places and under what conditions and regulations any accounts, books, records or other documents of the Corporation shall be open to inspection, and no creditor, security holder or other person shall have any right to inspect any accounts, books, records or other documents of the Corporation except as conferred by law or as so authorized by the Board.

Section 6.5. Interest of Directors and Officers in Transactions. In the absence of fraud, no contract or other transaction between the Corporation and one or more of its directors, or between the Corporation and any other corporation, firm, association or other entity in which one or more of its directors are directors or officers, or have a substantial financial interest, shall be either void or voidable, irrespective of whether such interested director or directors are present at the meeting of the Board of Directors, or of a committee thereof, which approves such contract or transaction and irrespective of whether his or their votes are counted for such purpose:

- (1) If the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the Board of Directors, or a committee thereof, and the Board or committee approves such contract or transaction by a vote sufficient for such purpose without counting the vote of such interested director or, if the votes of the disinterested directors are insufficient to constitute an act of the Board under Section 2.4 of these by-laws, by unanimous vote of the disinterested directors; or
- (2) If the material facts as to such director's interest in such contract or transaction and as to any such common directorship, officership or financial interest are disclosed in good faith or known to the shareholders entitled to vote thereon, and such contract or transaction is approved by vote of such shareholders.

If there was no such disclosure or knowledge, or if the vote of such interested director was necessary for the approval of such contract or transaction at a meeting of the Board or committee at which it was approved, the Corporation may avoid the contract or transaction unless the party or parties thereto shall establish affirmatively that the contract or transaction was fair and reasonable as to the Corporation at the time it was approved by the Board, a committee or the shareholders.

Notwithstanding the foregoing, no loan, except advances in connection with indemnification, shall be made by the Corporation to any director unless it is authorized by vote of the shareholders. For this purpose, shares of the director who would be the borrower shall not be shares entitled to vote.

Section 6.6. Indemnification. The Corporation shall indemnify each person made or threatened to be made a party to any action or proceeding, whether civil or criminal, by reason of the fact that such person or such person's testator or intestate is or was a director or officer of the Corporation, or serves or served at the request of the Corporation, any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise in any capacity, against judgments, fines, penalties, amounts paid in settlement and reasonable expenses, including attorneys' fees, incurred in connection with such action or proceeding, or any appeal therein, provided that no such indemnification shall be made if a judgment or other final adjudication adverse to such person establishes that his or her acts were committed in bad faith or were the result of active and deliberate dishonesty and were material to the cause of action so adjudicated, or that he or she personally gained in fact a financial profit or other advantage to which he or she was not legally entitled, and provided further that no such indemnification shall be required with respect to any settlement or other nonadjudicated disposition of any threatened or pending action or proceeding unless the Corporation has given its prior consent to such settlement or other disposition.

The Corporation may advance or promptly reimburse upon request any person entitled to indemnification hereunder for all expenses, including attorneys' fees, reasonably incurred in defending any action or proceeding in advance of the final disposition thereof upon receipt of an undertaking by or on behalf of such person to repay such amount if such person is ultimately found not to be entitled to indemnification or, where indemnification is granted, to the extent the expenses so advanced or reimbursed exceed the amount to which such person is entitled, provided, however, that such person shall cooperate in good faith with any request by the Corporation that common counsel be utilized by the parties to an action or proceeding who are similarly situated unless to do so would be inappropriate due to actual or potential differing interests between or among such parties.

Anything in these by-laws to the contrary notwithstanding, no elimination of this by-law, and no amendment of this by-law adversely affecting the right of any person to indemnification or advancement of expenses hereunder shall be effective until the 60<sup>th</sup> day following notice to such person of such action, and no elimination of or amendment to this by-law shall deprive any person of his or her rights hereunder arising out of alleged or actual occurrences, acts or failures to act prior to such 60<sup>th</sup> day.

The Corporation shall not, except by elimination or amendment of this by-law in a manner consistent with the preceding paragraph, take any corporate action or enter into any agreement which prohibits, or otherwise limits the rights of any person to, indemnification in accordance with the provisions of this by-law. The indemnification of any person provided by this by-law shall continue after such person has ceased to be a director, officer or employee of the Corporation and shall inure to the benefit of such person's heirs, executors, administrators and legal representatives.

The Corporation is authorized to enter into agreements with any of its directors, officers or employees extending rights to indemnification and advancement of expenses to such person to the fullest extent permitted by applicable law as it currently exists, but the failure to enter into any such agreement shall not affect or limit the rights of such person pursuant to this by-law, it being expressly recognized hereby that all directors, officers and employees of the Corporation, by serving as such after the adoption hereof, are acting in reliance hereon and that the Corporation is estopped to contend otherwise.

In case any provision in this by-law shall be determined at any time to be unenforceable in any respect, the other provisions shall not in any way be affected or impaired thereby, and the affected provision shall be given the fullest possible enforcement in the circumstances, it being the intention of the Corporation to afford indemnification and advancement of expenses to its directors, officers and employees, acting in such capacities or in the other capacities mentioned herein, to the fullest extent permitted by law.

For purposes of this by-law, the Corporation shall be deemed to have requested a person to serve an employee benefit plan where the performance by such person of his or her duties to the Corporation also imposes duties on, or otherwise involves services by, such person to the plan or participants or beneficiaries of the plan, and excise taxes assessed on a person with respect to an employee benefit plan pursuant to applicable law shall be considered indemnifiable expenses. For purposes of this by-law, the term "Corporation" shall include any legal successor to the Corporation, including any corporation which acquires all or substantially all of the assets of the Corporation in one or more transactions.

Section 6.7. Amendments. By-laws of the Corporation may be adopted, amended or repealed by vote of the holders of the shares at the time entitled to vote in the election of any directors. By-laws may also be adopted, amended or repealed by the Board of Directors by the vote of a majority of the directors present at a meeting of the Board at which a quorum is present, but any by-law adopted by the Board may be amended or repealed by the shareholders entitled to vote thereon as hereinabove provided.

If any by-law regulating an impending election of directors is adopted, amended or repealed by the Board of Directors, there shall be set forth in the notice of the next meeting of shareholders for the election of directors the by-law so adopted, amended or repealed, together with a concise statement of the changes made.

**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.

April 29, 2011

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

**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.

April 29, 2011

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

**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 March 31, 2011 (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: April 29, 2011

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

Date: April 29, 2011

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