SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

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

For the Quarter Ended Jume 30, 2000   Commission File Number 0-16093

CONMED CORPORATION

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

New York	16-0977505
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
310 Broad Street, Utica, New York	13501
(Address of principal executive offices)	(Zip Code)

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

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes [X] No [_]

The number of shares outstanding of registrant's common stock, as of July 31, 2000 is 15,343,868 shares.

CONMED CORPORATION

TABLE OF CONTENTS
FORM 10-Q

PART I FINANCIAL INFORMATION

PART II OTHER INFORMATION

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

	For three months ended		For six months ended	
	June 1999	June 2000	June 1999	June 2000
Net sales	$ 90,483	$ 96,986	$ 181,352	$ 198,899
Cost and expenses:				
Cost of sales	42,825	47,327	86,367	95,988
Selling and administrative (Note 6)	26,550	32,355	53,116	62,219
Research and development ...	2,842	3,572	5,798	6,978
Total operating expenses	72,217	83,254	145,281	165,185
Income from operations	18,266	13,732	36,071	33,714
Interest expense, net	(7,814)	(8,238)	(15,740)	(16,643)
Income before income taxes	10,452	5,494	20,331	17,071
Provision for income taxes	(3,762)	(1,978)	(7,318)	(6,146)
Net income	$ 6,690	$ 3,516	$ 13,013	$ 10,925
Per share data (Note 6):				
Net Income				
Basic	$ .44	$ .23	$ .86	$ .71
Diluted	.43	.23	.84	.70
Weighted average common shares				
Basic	15,235	15,311	15,204	15,298
Diluted	15,612	15,551	15,575	15,535

See notes to consolidated financial statements.

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

ASSETS

		(unaudited)
	December	June

	1999	2000
Current assets:		
Cash and cash equivalents	3,747	$ 3,353
Accounts receivable, net	76,413	78,760
Inventories (Note 3)	89,681	96,471
Deferred income taxes	1,453	1,453
Prepaid expenses and other current assets	5,423	6,732
Total current assets	176,717	186,769
Property, plant and equipment, net	57,834	60,826
Goodwill, net	223,174	220,166
Patents, trademarks, and other assets, net	204,436	201,864
Total assets	$ 662,161	$ 669,625

LIABILITIES AND SHAREHOLDERS' EQUITY

	1999	2000
Current liabilities:		
Current portion of long-term debt	$ 32,875	$ 34,471
Accrued interest	4,588	6,540
Accounts payable	16,518	23,412
Income taxes payable	226	2,979
Accrued payroll and withholdings	9,658	8,822
Other current liabilities	3,326	2,852
Total current liabilities	67,191	79,076
Long-term debt	361,794	345,739
Deferred income taxes	3,330	3,330
Other long-term liabilities	18,585	19,114
Total liabilities	450,900	447,259
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 authorized; 15,303,806 and 15,343,868 issued and outstanding, in 1999 and 2000, respectively	153	153
Paid-in capital	127,394	127,836
Retained earnings	84,520	95,445
Accumulated other comprehensive income	(387)	(649)
Less 25,000 shares of common stock in treasury, at cost	(419)	(419)
Total equity	211,261	222,366
Total liabilities and shareholders' equity	$ 662,161	$ 669,625

See notes to consolidated financial statements.

CONMED CORPORATION
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY
Six Months Ended June 1999 and 2000
(in thousands)
(unaudited)

	1999	2000
Common stock		
Balance at beginning of period	$ 152	$ 153
Exercise of stock options	1	--
Balance at end of period	$ 153	$ 153

Paid-in-capital		
Balance at beginning of period	125,039	127,394
Exercise of stock options	1,566	442
Balance at end of period	126,605	127,836
Retained earnings		
Balance at beginning of period	57,361	84,520
Net income (A)	13,013	10,925
Balance at end of period	70,374	95,445
Accumulated other comprehensive income		
Balance at beginning of period		
Cumulative foreign currency translation adjustments	35	(387)
Other comprehensive income		
Foreign currency translation adjustments(B)	(20)	(262)
Balance at end of period		
Cumulative foreign currency translation adjustments	15	(649)
Treasury stock at beginning and end of period	(419)	(419)
Total shareholders' equity	$ 196,728	$ 222,366
Total comprehensive income (A + B)	$ 12,993	$ 10,663

See notes to consolidated financial statements.

CONMED CORPORATION
CONSOLIDATED STATEMENTS OF CASH FLOWS
Six Months Ended June 30 1999 and 2000
(in thousands)
(unaudited)

	1999	2000
Cash flows from operating activities:		
Net income	$ 13,013	$ 10,925
Adjustments to reconcile net income to net cash provided by operations:		
Depreciation	4,330	4,612
Amortization	8,095	8,992
Increase (decrease) in cash flows from changes in assets and liabilities:		
Accounts receivable	(3,716)	(2,609)
Inventories	(11,039)	(7,970)
Prepaid expenses and other current assets	442	(1,309)
Accounts payable	(1,469)	6,894
Income taxes payable	8,967	2,753
Accrued interest	(1,611)	1,952
Accrued payroll and withholdings	(3,146)	(836)
Other current liabilities	(668)	(474)
Other assets/liabilities, net	1,249	(1,491)
	1,434	10,514

Net cash provided by operations	14,447	21,439
Cash flows from investing activities:		
Acquisition of property, plant, and equipment	(3,792)	(7,816)
Net cash used by investing activities	(3,792)	(7,816)
Cash flows from financing activities:		
Proceeds of long term debt	900	--
Borrowings (repayments)under revolving credit facility	(5,000)	2,000
Proceeds from issuance of common stock	1,567	442
Payments on long-term debt	(11,509)	(16,459)
Net cash used by financing activities	(14,042)	(14,017)
Net decrease in cash and cash equivalents	(3,387)	(394)
Cash and cash equivalents at beginning of period	5,906	3,747
Cash and cash equivalents at end of period	$ 2,519	$ 3,353

See notes to consolidated financial statements.

CONMED CORPORATION
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1 - Organization and Operations

The consolidated financial statements include the accounts of CONMED Corporation and its subsidiaries (the "Company"). All intercompany accounts and transactions have been eliminated. CONMED Corporation is a medical technology company specializing in instruments and implants for arthroscopic sports medicine, and powered surgical instruments, such as drills and saws, for orthopaedic, ENT and neuro-surgery. The Company is also a leading developer, manufacturer and supplier of advanced medical devices, including RF electrosurgery systems used in all types of surgery, ECG electrodes for heart monitoring, and minimally invasive surgical devices. The Company's products are used in a variety of clinical settings, such as operating rooms, surgery centers, physicians' offices and critical care areas of hospitals. The Company's business is organized, managed and internally reported as a single segment, since its product offerings have similar economic, operating and other related characteristics.

Note 2 - Interim financial information

The financial statements for the three and six months ended June 1999 and 2000 are unaudited; in the opinion of the Company such unaudited statements include all adjustments (which comprise only normal recurring accruals) necessary for a fair presentation of the results for such periods. The consolidated financial statements for the year ending December 2000 are subject to adjustment at the end of the year when they will be audited by independent accountants. The results of operations for the three and six months ended June 2000 are not necessarily indicative of the results of operations to be expected for any other quarter nor for the year ending December 2000. The consolidated financial statements and notes thereto should be read in conjunction with the financial statements and notes for the year ended December 1999 included in the Company's Annual Report to the Securities and Exchange Commission on Form 10-K.

Note 3 - Inventories

The components of inventory are as follows (in thousands):

	December 1999	June 2000
Raw materials.........	$35,651	$36,377
Work-in-process.......	9,803	11,258
Finished goods........	44,227	48,836
Total..........	$89,681	$96,471

Note 4 - Subsidiary Guarantees

The Company's credit facility and subordinated notes (the "Notes") are guaranteed (the "Subsidiary Guarantees") by each of the Company's subsidiaries (the "Subsidiary Guarantors"). The Subsidiary Guarantees provide that each Subsidiary Guarantor will fully and unconditionally guarantee the Company's obligations on a joint and several basis. Each Subsidiary Guarantor is wholly-owned by the Company.

Separate financial statements and other disclosures concerning the Subsidiary Guarantors are not presented because management has determined such financial statements and other disclosures are not material to investors. The combined condensed financial information of the Company's Subsidiary Guarantors is as follows (in thousands):

	December 1999	June 2000
Current assets............	$117,541	$129,062
Non-current assets.........	385,363	379,536
Current liabilities........	21,921	29,006
Non-current liabilities....	355,012	326,143

	For the Six Months Ended June	
	1999	2000
Revenues...................	$139,222	$160,554
Operating income...........	30,205	27,776
Net income.................	9,229	7,126

Note 5 - Business Acquisitions

On June 29, 1999, the Company agreed to purchase certain assets of the powered surgical instrument business of Minnesota Mining and Manufacturing Company ("3M") (the "Powered Instrument Acquisition"). The Company and 3M also agreed to a series of transition-related matters in order to facilitate the transfer of the business. The acquisition was completed on August 11, 1999 for a purchase price of $39,000,000, which was funded through borrowings under the Company's credit facility. This acquisition is being accounted for using the purchase method. The results of operations of the acquired business are included in the consolidated results of the Company from the date of acquisition. Goodwill associated with the acquisition is being amortized on a straight-line basis over a 40-year period.

Note 6 - Nonrecurring Severance Charge

During the quarter ended June 2000, the Company announced it would replace its arthroscopy direct sales force with non-stocking, exclusive sales agent groups in certain geographic regions of the United States. As a result, the Company incurred a severance charge of $1,509,000, before income taxes, or $.06 per diluted share, in the second quarter of 2000. This nonrecurring charge is included in selling and administrative expense.

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

The following discussion includes certain forward-looking statements. Such forward-looking statements are subject to a number of factors, including material risks, uncertainties and contingencies, which could cause actual results to differ materially from the forward-looking statements. Such factors include, among others, the following: general economic and business conditions; changes in customer preferences; competition; changes in technology; the integration of any acquisitions, changes in business strategy; the indebtedness of the Company; quality of management, business abilities and judgment of the Company's personnel; and the availability, terms and deployment of capital. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. The Company does not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date hereof or to reflect the occurrence of unanticipated events.

Three months ended June 2000 compared to three months ended June 1999

Sales for the quarter ended June 2000 were $96,986,000, an increase of 7.2% compared to sales of $90,483,000 in the quarter ended June 1999. For the quarter ended June 2000, arthroscopy sales grew 1.2% to $35,600,000 and powered surgical instruments sales grew 37.0% to $26,400,000. Of the total increase in powered surgical instrument sales, 4.0% was due to internal growth while 33.0% was due to the Powered Instrument Acquisition in August 1999. Electrosurgery and patient care lines had sales of $35,000,000 in the quarter ended June 2000, a decline of 2.6% from a year prior.

Cost of sales increased to $47,327,000 in the quarter ended June 2000 compared to $42,825,000 in the same quarter a year ago as a result of the increased sales volumes described above. The Company's gross margin percentage for the second quarter of 2000 was 51.2% compared to 52.7% for the second quarter of 1999. The decrease in gross margin percentage is largely the result of the effects of the decline in the value of the Euro and lower selling prices in the Company's surgical suction product lines as a result of increased competition.

Selling and administrative costs increased to $32,355,000 in the quarter ended June 2000 as compared to $26,550,000 in the quarter ended June 1999. The increase in selling and administrative expense is a result of increased spending on sales and marketing programs in the second quarter of 2000 in an effort to increase market share, as well as increased spending associated with the increase in sales in the second quarter of 2000 as compared to the second quarter of 1999. Additionally, during the quarter ended June 2000, the Company announced it would replace its arthroscopy direct sales force with non-stocking, exclusive sales agent groups in certain geographic regions of the United States. As a result, the Company recorded a nonrecurring severance charge of $1,509,000 in the second quarter of 2000 (Note 6) which is included in selling and administrative expense. As a result of the factors described above, as a percentage of sales, selling and administrative expense increased to 33.4% in the second quarter of 2000 as compared to 29.3% in the second quarter of 1999.

Research and development expense increased to $3,572,000 in the quarter ended June 2000 as compared to $2,842,000 in the quarter ended June 1999. As a percentage of sales, research and development expense increased to 3.7% of sales in the second quarter of 2000 compared to 3.1% in the second quarter of 1999. These increases are the result of the Company's increased investment in new product development.

Interest expense for the quarter ended June 2000 was $8,238,000 compared to $7,814,000 in the quarter ended June 1999. In conjunction with the Powered Instrument Acquisition, the Company's existing credit facility was amended in the third quarter of 1999 to provide for an additional $40,000,000 loan commitment which was used to fund the acquisition purchase price. The increase in interest expense is primarily a result of these higher term loan borrowings. (See discussion under Liquidity and Capital Resources section of Management's Discussion and Analysis of Financial Condition and Results of Operations).

Six months ended June 2000 compared to six months ended June 1999

Sales for the six months ended June 2000 were $198,899,000, an increase of 9.7% compared to sales of $181,352,000 in the six months ended June 1999. For the six months ended June 2000, arthroscopy sales grew 4.0% to $74,600,000 and powered surgical instrument sales grew 49.4% to $55,600,000. Of the total increase in powered surgical instrument sales, 10.7% was due to internal growth while 38.7% was due to the Powered Instrument Acquisition in August 1999. Electrosurgery and patient care lines had sales of $68,700,000 in the first half of 2000, a decline of 5.1% from the same period a year ago.

Cost of sales increased to $95,988,000 in the six months ended June 2000 compared to $86,367,000 in the six months ended June 1999 as a result of the increased sales volumes described above. The Company's gross margin percentage for the first half of 2000 was 51.7% compared to 52.4% for the first half of 1999. The decrease in gross margin percentage is largely the result of the effects of the decline in the value of the Euro and lower selling prices in the Company's surgical suction product lines in the second quarter as a result of increased competition.

Selling and administrative costs increased to $62,219,000 in the six months ended June 2000 as compared to $53,116,000 in the six months ended June 1999. The increase in selling and administrative expense is a result of increased spending on sales and marketing programs in the second quarter of 2000 in an effort to increase market share, as well as increased spending associated with the increase in sales in the first half of 2000 as compared to the first half of 1999. Additionally, during the second quarter of 2000, the Company announced it would replace its arthroscopy direct sales force with non-stocking, exclusive sales agent groups in certain geographic regions of the United States. As a result, the Company recorded a nonrecurring severance charge of $1,509,000 in the second quarter of 2000 (Note 6) which is included in selling and administrative expense. As a result of the factors described above, as a percentage of sales, selling and administrative expense increased to 31.3% in the first half of 2000 as compared to 29.3% in the first half of 1999.

Research and development expense increased to $6,978,000 in the six months ended June 2000 as compared to $5,798,000 in the six months ended

June 1999. As a percentage of sales, research and development expense increased to 3.5% of sales in the first half of 2000 as compared to 3.2% in the same period a year ago. These increases are the result of the company's increased investment in new product development.

Interest expense for the six months ended June 2000 was $16,643,000 compared to $15,740,000 in the six months ended June 1999. In conjunction with the Powered Instrument Acquisition, the Company's existing credit facility was amended in the third quarter of 1999 to provide for an additional $40,000,000 loan commitment which was used to fund the acquisition purchase price. The increase in interest expense is primarily a result of these higher term loan borrowings. (See discussion under Liquidity and Capital Resources section of Management's Discussion and Analysis of Financial condition and Results of Operations).

Liquidity and Capital Resources

The Company's net working capital position decreased $1,833,000 or 1.7% to $107,693,000 at June 2000 compared to $109,526,000 at December 1999. Net cash provided by operations was $21,439,000 for the first six months of 2000 compared to $14,447,000 for the first six months of 1999. Operating cash flow was positively impacted by increases in accounts payable, income taxes payable and accrued interest as well as higher depreciation and amortization in the six months ended June 2000 as compared to the six months ended June 1999. Operating cash flow was negatively impacted by decreased net income, and increases in accounts receivable, inventories, prepaid expenses and other assets/liabilities. The increases in accounts payable, accrued income taxes, accrued interest, prepaid expenses and other assets/liabilities is primarily related to the timing of payment. The increase in accounts receivable and inventories is primarily related to the increase in sales.

Net cash used by investing activities for the six months ended June 2000 consisted of $7,816,000 in capital expenditures as compared to $3,792,000 for the six months ended June 1999.

Financing activities during the six months ended June 2000 consisted primarily of scheduled payments of $16,459,000 on the Company's term loans and $2,000,000 in borrowings on the Company's revolving credit facility. Financing activities during the six months ended June 1999 consisted primarily of scheduled payments of $11,509,000 on the Company's term loans and repayments of $5,000,000 on the Company's revolving credit facility.

The Company's term loans under its credit facility at June 30, 2000 aggregate $217,365,000. The Company's term loans are repayable quarterly over remaining terms of approximately five years. The Company's credit facility also includes a $100,000,000 revolving credit facility which expires December 2002, of which $68,000,000 was available on June 30, 2000. The borrowings under the credit facility carry interest rates based on a spread over LIBOR or an alternative base interest rate. The covenants of the credit facility provide for increase and decrease to this interest rate spread based on the operating results of the Company. The weighted average interest rates at June 30, 2000 under the term loans and the revolving credit facility were 8.26% and 8.27%, respectively. Additionally, the Company is obligated to pay a fee of .375% per annum on the unused portion of the revolving credit facility.

The Company does not use derivative financial instruments for trading or other speculative purposes. Interest rate swaps, a form of derivative, are used to manage interest rate risk. Currently, the Company has entered into two interest rate swaps expiring in June 2001 and June 2003 which convert $100,000,000 of LIBOR-based floating rate debt under the Company's credit facility into fixed rate debt with a base interest rate averaging 6.50%. Provisions in one of the interest rate swaps cancels such agreement when LIBOR exceeds 7.35%. There were no material changes in the Company's market risk during the six months ended June 2000. For a detailed discussion of market risk, see the Company's Form 10-K for the year ended December 31, 1999, Part II, Item 7A. Quantitative and Qualitative Disclosures About Market Risk.

The credit facility is collateralized by all the Company's personal property. The credit facility contains covenants and restrictions which, among other things, require maintenance of certain working capital levels and financial ratios, prohibit dividend payments and restrict the incurrence of certain indebtedness and other activities, including acquisitions and dispositions. The Company is also required to make mandatory prepayments from net cash proceeds from any issue of equity and asset sales.

The Notes are in aggregate principal amount of $130,000,000 and have a maturity date of March 15, 2008. The Notes bear interest at 9.0% per annum which is payable semi-annually. The indenture governing the Notes has certain restrictive covenants and provides for, among other things, mandatory and optional redemptions by the Company.

The credit facility and Notes are guaranteed by each of the Company's subsidiaries. The Subsidiary Guarantees provide that each Subsidiary Guarantor will fully and unconditionally guarantee the Company's obligations on a joint and several basis. Each Subsidiary Guarantor is wholly-owned by the Company. Under the credit facility and Note indenture, the Company's subsidiaries are subject to the same covenants and restrictions that apply to the Company (except that the Subsidiary Guarantors are permitted to make dividend payments and distributions, including cash dividend payments, to the Company or another Subsidiary Guarantor).

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

Foreign Operations

The Company's foreign operations are subject to special risks inherent in doing business outside the United States, including governmental instability, war and other international conflicts, civil and labor disturbances, requirements of local ownership, partial or total expropriation, nationalization, currency devaluation, foreign exchange controls and foreign laws and policies, each of which may limit the movement of assets or funds or result in the deprivation of contract rights or the taking of property without fair compensation.

Item 6. Exhibits and Reports on Form 8-K

List of Exhibits

Exhibit No.	Description of Instrument
11	Computation of weighted average number of shares of common stock
27	Financial Data Schedule (included in EDGAR filing only)

Reports on Form 8-K

None

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: August 11, 2000

/s/Robert D. Shallish, Jr.

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

Exhibit Index

Sequential
Page

Exhibit		Number
11	- Computations of weighted average number of shares of common stock	E-1
27	- Financial Data Schedule	(included in EDGAR filing only)

EXHIBIT 11

Computation of weighted average number of shares of common stock

	For the three months ended June 1999	2000	For the six months ended June 1999	2000
Shares outstanding at beginning of period (net of 25,000 shares held in treasury)	15,177	15,298	15,158	15,279
Weighted average shares issued	58	13	46	19
Shares used in the calculation of Basic EPS (weighted average shares outstanding	15,235	15,311	15,204	15,298
Effect of dilutive securities	377	240	371	237
Shares used in the calculation of Diluted EPS	15,612	15,551	15,575	15,535

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