

CONMED Intends To Refinance Its 9% Bonds

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UTICA, N.Y., May 28 /PRNewswire-FirstCall/ -- CONMED Corporation (Nasdaq: CNMD) announced today that it intends to refinance its 9% senior subordinated bonds due in 2008 with the proceeds of an expansion of its senior term loan. The 9% senior subordinated bonds are callable at a premium over par of 4.5%. Consequently, the Company will incur a pre-tax charge of approximately \$5 million for the call premium. The senior term loan expansion of up to \$165 million is expected to carry an interest cost of 2.75% over Libor (90 day Libor currently is quoted at approximately 1.30%), for a current expected all-in-rate of 4.05%. This compares favorably with the 9% interest cost of the bonds. Should Libor interest rates stay at current levels, the Company would save over \$5 million annually in interest costs.

The anticipated proceeds of the term loan expansion, expected to be completed early in the third quarter of 2003, will be used to pay-off the \$112.7 million of 9% senior subordinated bonds now outstanding, fund the \$5 million call premium, and pay-off revolver outstandings of \$47.3 million. Additionally, the Company will write-off the unamortized deferred financing fees associated with bonds amounting to approximately \$2 million pre-tax. The revolver outstandings were due to the acquisition of Bionx Implants, Inc., completed in March 2003, and the May 1, 2003 refunding of \$15 million of the 9% senior subordinated bonds.

Mr. Joseph J. Corasanti, President and Chief Operating Officer of CONMED, said, "This financing transaction will improve our cash flow and our earnings. Subsequent to the bond refinancing, diluted earnings per share should increase approximately \$0.10 annually due to lower interest costs. We believe it is prudent to take advantage of the lower interest rate environment."

Upon payment of the bonds, the Company's debt is expected to consist of its present \$100 million revolving credit facility, expiring in 2007, with minimal current usage, a \$264.5 million term loan with mandatory annual principal payments of approximately \$2.7 million through 2007, \$72.1 million in 2008 and \$180.2 million in 2009, and other loans approximating \$22 million.

CONMED Profile

CONMED is a medical technology company specializing in instruments, implants, and video equipment for arthroscopic sports medicine, and powered surgical instruments, such as drills and saws, for orthopedic, ENT, neuro-surgery, and other surgical specialties. The Company is also a leading developer, manufacturer and supplier of RF electrosurgery systems used routinely to cut and cauterize tissue in nearly all types of surgical procedures worldwide, endoscopy products such as trocars, clip applicators, scissors, and surgical staplers. The Company offers integrated operating room design and intensive care unit service managers. The Company also manufactures and sells a full line of ECG electrodes for heart monitoring and other patient care products. Headquartered in Utica, New York, the Company's 2,500 employees distribute its products worldwide from eleven manufacturing locations.

Forward Looking Information

This press release contains forward-looking statements based on certain assumptions and contingencies that involve risks and uncertainties. The forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and relate to the Company's performance on a going-forward basis. The forward-looking statements in this press release involve risks and uncertainties which could cause actual results, performance or trends, including the above mentioned anticipated charges and savings, to differ materially from those expressed in the forward-looking statements herein or in previous disclosures. The Company believes that all forward-looking statements made by it have a reasonable basis, but there can be no assurance that management's expectations, beliefs or projections as expressed in the forward-looking statements will actually occur or prove to be correct. In addition to general industry and economic conditions, factors that could cause actual results to differ materially from those discussed in the forward-looking statements in this press release include, but are not limited to: (i) the failure of any one or more of the assumptions stated above, to prove to be correct; (ii) the risks relating to forward-looking statements discussed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2002; (iii) cyclical purchasing patterns from customers, end-users and dealers; (iv) timely release of new products, and acceptance of such new products by the market; (v) the introduction of new products by competitors and other competitive responses; (vi) the possibility that any new acquisition or other transaction may require the Company to reconsider its financial assumptions and goals/targets; (vii) changes in the interest rate environment; and/or (viii) the Company's ability to devise and execute strategies to

respond to market conditions.

SOURCE CONMED Corporation

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