

CONMED Corporation Comments on Expected Fourth Quarter Results

January 8, 2003 7:11 AM ET

- A Conference Call is Scheduled for 10:00 AM (Eastern), Today for Further Discussion -

UTICA, N.Y., Jan. 8 /PRNewswire-FirstCall/ -- CONMED Corporation (Nasdaq: CNMD) announced today that sales for the three months ended December 31, 2002 reached a record quarterly amount of approximately \$115.3 million and unaudited sales for the full year 2002 reached an annual record of approximately \$453.1 million. While sales reached record levels on a quarterly and yearly basis, revenues were still somewhat lower than the Company's expectations discussed on the October 17, 2002 quarterly earnings conference call. Based on the information currently available, the Company now anticipates that its diluted earnings per share for the fourth quarter of 2002 will be approximately \$0.31 - \$0.33 and approximately \$1.30-\$1.32 per diluted share before extraordinary item for the full year 2002. The Company will announce full results for the fourth quarter of 2002 and full year 2002 on February 6, 2003.

By product line, orthopedic product sales in the fourth quarter were generally flat, although large bone powered instrument sales grew 19% on the strength of the Company's sales of the PowerPro(R) battery instruments. Electrosurgery revenues grew 6%, Patient Care revenues grew 1% and Endoscopy products revenues were flat. For the full year, Arthroscopy revenues grew 4%, Powered Surgical Instrument revenues were flat, Electrosurgery revenues grew 4%, Patient Care revenues grew 1% and Endoscopy products revenues grew 61%, of which 7% represented organic growth. Overall, sales grew 1.9% in the fourth quarter of 2002 (as compared to the fourth quarter of 2001) and 5.7% for the full year 2002.

Arthroscopy revenues were weaker than anticipated, in part, due to flat sales of video systems in the quarter. For the year 2002, however, video systems grew in excess of 11%. Because of the nature of sales for capital equipment, quarterly sales of video products are susceptible to fluctuations based on the timing of closing individual sales contracts. Powered Surgical Instrument sales were also flat, as gains in large bone products, led by PowerPro(R), were offset by sales declines in the small bone and specialty product groups. The Company anticipates upgrading the product offering in the small bone line in 2003.

Mr. Joseph J. Corasanti, President and COO of CONMED, stated, "Sales in our fourth quarter each year are typically the best of any quarter. While this continued to be true in 2002, we did not experience as large an increase in revenues as we had anticipated. This shortfall was centered around capital equipment products such as our Powered Surgical instruments and our video systems. While evaluation activity continues to be strong, many potential transactions were delayed by our customers."

Mr. Corasanti added, "Although we are disappointed by the Company's sales growth in the fourth quarter, we continue to be optimistic about our prospects for 2003. We expect that the PowerPro(R) battery powered surgical instrument sales will continue to advance, our new electrosurgical generators will be ready for shipment in the first quarter of 2003, we have additional new products ready for launch in 2003, and our acquisitions of Core Dynamics (announced in an earlier press release today), ValMed and Nortrex will add additional substance to our surgical product offerings. We continue to believe that our 2003 organic sales increase will approximate 6% over 2002 (8% growth including the acquisitions) and that our earnings per share should increase approximately 15% compared to 2002 earnings per share (excluding one- time acquisition related expenses for Core Dynamics)."

CONMED will hold a conference call at 10:00 am today to further discuss the fourth quarter 2002 anticipated results. Interested parties may access the conference call by calling 888-753-5576 or 706-643-7656. The conference call will also be available at the investor relations section of CONMED's website -- <http://www.conmed.com>. The conference call will be available by replay until January 9, 2003 by dialing 800-642-1687 or 706-645-9291 (code:7470107) or at the CONMED website.

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 ten manufacturing locations.

This press release contains forward-looking statements based on certain assumptions and contingencies that involve risks and uncertainties. The forward-looking statements are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 and relate to the Company's performance on a going-forward basis. The forward-looking statements in this press release involve risks and uncertainties which could cause actual results, performance or trends, including the above mentioned anticipated revenues and earnings, to differ materially from those expressed in the forward-looking statements herein or in previous disclosures. The Company believes that all forward-looking statements made by it have a reasonable basis, but there can be no assurance that management's expectations, beliefs or projections as expressed in the forward-looking statements will actually occur or prove to be correct. In addition to general industry and economic conditions, factors that could cause actual results to differ materially from those discussed in the forward-looking statements in this press release include, but are not limited to: (i) the failure of any one or more of the assumptions stated above, to prove to be correct; (ii) the risks relating to forward-looking statements discussed in the Company's Annual Report on Form 10-K for the fiscal year ended December 31, 2001 and the Prospectus dated May 22, 2002; (iii) cyclical purchasing patterns from customers, end-users and dealers; (iv) timely release of new products, and acceptance of such new products by the market; (v) the introduction of new products by competitors and other competitive responses; (vi) the possibility that any new acquisition or other transaction may require the Company to reconsider its financial assumptions and goals/targets; and/or (vii) the Company's ability to devise and execute strategies to respond to market conditions. SOURCE CONMED Corporation

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