

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

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

Date of Report (Date of earliest event reported): October 21, 2004

CONMED CORPORATION
(Exact name of registrant as specified in its charter)

----- New York ----- (State or other jurisdiction of incorporation or organization)	----- 0-16093 ----- (Commission File Number)	----- 16-0977505 ----- (I.R.S. Employer Identification No.)
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525 French Road
Utica, New York 13502

(Address of principal executive offices, including zip code)

(315) 797-8375

(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligations of the registrant under any of the following provisions (See General Instruction A.2 below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02 Results of Operations and Financial Condition.

On October 21, 2004, CONMED Corporation issued a press release announcing financial results for the three and nine month periods ended September 30, 2004. A copy of this press release is attached hereto as Exhibit 99.1.

The information in this Form 8-K that is furnished under "Item 2.02, Results of Operations and Financial Condition" and Exhibit 99.1 attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Act of 1934, nor shall they be deemed incorporated by reference in any filing under the Securities Act of 1933, except as shall be expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(c) Exhibits

The following exhibit is included herewith:

Exhibit No.	Description of Exhibit
99.1	Press Release dated October 21, 2004, issued by CONMED Corporation.

Signature

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)

By: /s/ Robert D. Shallish, Jr.

Vice President-Finance and
Chief Financial Officer

Date: October 22, 2004

EXHIBIT INDEX

Exhibit Number	Exhibit Description
99.1	Press Release, dated October 21, 2004, issued by CONMED Corporation.

Contact:
CONMED Corporation
Robert Shallish
Chief Financial Officer
315-624-3206

Financial Dynamics
Investors: Julie Huang/Lanie Marcus
Media: Sean Leous
212-850-5600

FOR RELEASE: 7:00 AM (Eastern) October 21, 2004

CONMED REPORTS THIRD QUARTER RESULTS

- 3Q Sales Exceed Guidance -
- Non-GAAP EPS Equals \$0.38 -
- Strong Video Systems Sales Drive 19% Arthroscopy Sales Growth -

Utica, New York, October 21, 2004 ----- CONMED Corporation (Nasdaq: CNMD) announced today its financial results for the third quarter ended September 30, 2004.

Mr. Joseph J. Corasanti, President and Chief Operating Officer, said, "CONMED's third quarter sales growth of close to 10% was excellent. Our strong quarterly performance was primarily driven by a 100% increase in video systems sales, which fueled our 19% Arthroscopy sales growth, and a 9% increase in Patient Care sales which resulted from the introduction of several new products over the past twelve months."

Total sales for the third quarter increased 9.6% to \$132.3 million (\$130.4 million at constant exchange rates) compared to \$120.7 million in the third quarter of 2003. Excluding acquisition and transition charges (please see attached reconciliation for full explanation), non-GAAP net income for the third quarter grew to \$11.5 million, or \$0.38 per diluted share, on a 3% increase in diluted shares outstanding, compared to \$10.4 million, or \$0.36 per diluted share, in last year's third quarter. GAAP net income, including acquisition and transition charges, for the three months ended September 2004 was \$1.7 million, or \$0.06 per diluted share, compared to \$9.7 million or \$0.33 per diluted share in the third quarter of 2003.

Strong sales growth in the 2004 third quarter was fueled by revenues of the Company's video imaging products for arthroscopy and general surgery, which grew 100% in the third quarter compared to the last year's third quarter. This growth resulted from the introduction of CONMED's newest enhanced definition camera early in 2004. Further, revenues for the Company's Patient Care product group grew 9.4% in the third quarter of 2004 on the strength of a variety of its clinical care offerings, including its pulse oximetry monitoring devices.

CONMED NEWS RELEASE CONTINUED: 2 of 7 October 21, 2004

Sales in the Company's orthopedic business, which is comprised of its Arthroscopy and Powered Instruments product groups, grew 12.5% to \$81.0 million from \$72.0 million in last year's third quarter. Arthroscopy sales, including integrated systems, increased 19.0% to \$50.8 million compared to \$42.7 million in the same period a year ago. Powered Instrument sales grew 3.1% to \$30.2 million compared to \$29.3 million in the third quarter of 2003.

Electrosurgery revenues increased 2.9% to \$21.2 million on a difficult comparison to robust sales in the third quarter of 2003 of \$20.6 million. Sales of Patient Care Products grew 9.4% to \$18.7 million compared to \$17.1 million. Endosurgery (formerly named Endoscopy) revenues increased 3.6% to \$11.4 million compared to third quarter 2003 sales of \$11.0 million.

Over the previous six quarters, the Company's gross margin percentage has

remained relatively consistent at approximately 52.5%. In the third quarter of 2004, however, the gross margin percentage was equal to 51.0% as a result of a change in the mix of our product sales - specifically, the growth in video imaging systems sales (in the Arthroscopy product group) and Patient Care product sales, both of which have lower gross margins than the other product groups. It has been the Company's experience that sales of video products often lead to future sales of the Company's Arthroscopy single-use products, with gross margins generally higher than the Company average.

For the nine months ended September 30, 2004, CONMED reported a 9.3% increase in revenues, rising to \$397.2 million, (\$389.7 million in constant currency) from the \$363.3 million in the first nine months of last year. Non-GAAP net income for year-to-date September 2004 excluding acquisition and transition charges (please see attached reconciliation for full explanation) grew to \$35.8 million, or \$1.18 per diluted share, compared to non-GAAP net income of \$30.6 million, or \$1.05 per diluted share, for the nine months ended September 30, 2003. GAAP net income and diluted EPS for the first nine months of 2004 were \$26.0 million and \$0.86, respectively compared to GAAP net income and diluted EPS of \$19.1 million and \$0.66 in the nine months ended September 30, 2003.

Sales growth by product line for the nine months ended September, 2004 is as follows: Arthroscopy (including integrated systems) + 14.4%; Powered Instruments + 5.7%; Electrosurgery + 10.1%; Patient Care + 5.8%; and Endosurgery + 3.9%.

Cash flow of the Company continues to be strong. For the nine months ended September 30, 2004, cash inflows approximate \$62 million from operations.

As previously announced, the Company completed the acquisition of the Endoscopic Technologies product line from C.R. Bard on September 30, 2004 for a purchase price of \$80 million (subject to adjustment). Accordingly, the estimated fair value of the assets and liabilities acquired have been recorded as of September 30, 2004. One of the intangible assets acquired, in-process research and development, has an estimated value of \$13.7 million based on a preliminary independent, third-party valuation. In accordance with the applicable accounting standards, this acquired asset was charged to expense in the quarter ended September 2004. Additional pre-tax costs of acquisition and transition amounting to \$1.2 million were recorded in the period ending September 30, 2004.

CONMED NEWS RELEASE CONTINUED:

3 of 7

October 21, 2004

Mr. Corasanti concluded, "On October 1, 2004 we began shipping the products of our newly acquired product line, Endoscopic Technologies. For the fourth quarter of 2004, as a result of this increased sales activity, we expect total sales of CONMED medical devices to be in the range of \$154 - \$158 million with diluted earnings per share estimated to be \$0.45 - \$0.49, excluding acquisition and transition related charges. Looking ahead to 2005, we estimate sales to increase approximately 15% over 2004 amounts on forecasted 7% increase from our continued organic sales growth and the remainder from our new Endoscopic Technologies business. At these sales levels, we estimate that diluted earnings per share for 2005 will approximate \$1.94 - \$1.98 excluding acquisition and transition related charges. We also expect that free cash flow for 2005 will approximate \$75 - \$80 million."

Today's Conference Call

CONMED will broadcast its third quarter 2004 conference call live over the Internet today at 10:00 a.m. Eastern Time. This broadcast can be accessed from CONMED's web site at www.conmed.com. Replays of the call will be made available through October 27, 2004.

CONMED Profile

CONMED 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. Headquartered in Utica, New York, the Company's 2,800

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 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, 2003; (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 acquisition (and its integration) 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.

CONMED NEWS RELEASE CONTINUED:

4 of 7

October 21, 2004

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

	Three months ended September 30,		Nine months ended September 30,	
	2003	2004	2003	2004
Net sales	\$ 120,747	\$ 132,289	\$ 363,321	\$ 397,165
Cost of sales	57,516	64,802	172,564	190,605
Cost of sales, nonrecurring - Note A	--	--	739	--
Gross profit	63,231	67,487	190,018	206,560
Selling and administrative	38,596	42,719	115,094	128,921
Research and development	4,487	4,706	12,568	14,281
Write-off of purchased in-process research and development assets - Note B	--	13,700	7,900	13,700
Other expense (income), net - Note C	1,153	867	(3,195)	867
	44,236	61,992	132,367	157,769
Income from operations	18,995	5,495	57,651	48,791
Loss on early extinguishment of debt	--	--	8,078	--
Interest expense - Note D	3,829	3,189	15,228	9,053
Income before income taxes	15,166	2,306	34,345	39,738
Provision for income taxes	5,460	607	15,208	13,708

	-----	-----	-----	-----
Net income	\$ 9,706	\$ 1,699	\$ 19,137	\$ 26,030
	=====	=====	=====	=====
Per share data:				
Net Income				
Basic	\$.34	\$.06	\$.66	\$.88
Diluted33	.06	.66	.86
Weighted average common shares				
Basic	28,941	29,816	28,909	29,618
Diluted	29,391	30,347	29,190	30,241

Note A - Included in cost of sales in the nine months ended September 30, 2003

are \$.7 million in acquisition-related costs.

Note B - In the nine months ended September 30, 2003, we wrote off \$7.9 million

of purchased in-process research and development assets in connection with the Bionx acquisition. No benefit for income taxes was recorded on the write-off as these costs are not deductible for income tax purposes. On September 30, 2004, we wrote off the tax-deductible purchased in-process research and development assets related to the Bard Endoscopic Technologies acquisition estimated at \$13.7 million.

Note C - Included in other expense (income) in the three months ended September

30, 2003 are \$.8 million of pension settlement costs related to the restructuring of our orthopedic sales force and \$.4 million in acquisition-related costs. Included in other expense (income) in the nine months ended September 30, 2003 are a \$9.0 million gain on the settlement of a contractual dispute, \$2.8 million of pension settlement costs related to the restructuring of our orthopedic sales force and \$3.0 million in acquisition-related costs. Included in other expense (income) for the three and nine months ended September 30, 2004 are \$.9 million of acquisition-related costs.

Note D - Interest expense for the three and nine months ended September 30, 2004

includes \$.3 million of financing costs related to the Bard Endoscopic Technologies acquisition.

CONMED NEWS RELEASE CONTINUED:

5 of 7

October 21, 2004

CONMED CORPORATION
CONSOLIDATED CONDENSED BALANCE SHEETS
(in thousands)

ASSETS

	December 2003	(unaudited) Sept. 30, 2004
	----	----
		Note A -----
Current assets:		
Cash and cash equivalents	\$ 5,986	\$ 10,223
Accounts receivable, net	60,449	63,627
Inventories	120,945	125,369
Deferred income taxes	10,188	10,705
Other current assets	3,538	3,467
	-----	-----
Total current assets	201,106	213,391
Property, plant and equipment, net	97,383	100,557
Goodwill and other assets, net	506,569	553,891
	-----	-----
Total assets	\$805,058	\$867,839
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Current portion of long-term debt	\$ 4,143	\$ 3,988
Other current liabilities	50,712	43,916
	-----	-----
Total current liabilities	54,855	47,904
Long-term debt	260,448	285,995
Other long-term liabilities	56,265	64,111
	-----	-----
Total liabilities	371,568	398,010
	-----	-----
Shareholders' equity:		
Capital accounts	236,948	248,035
Retained earnings	194,473	220,503
Accumulated other comprehensive income	2,069	1,291
	-----	-----
Total equity	433,490	469,829
	-----	-----
Total liabilities and shareholders' equity	\$805,058	\$867,839
	=====	=====

OTHER FINANCIAL INFORMATION
(unaudited, in thousands)

	Three months ended		Nine months ended	
	-----		-----	
	September 30,		September 30,	
	2003	2004	2003	2004
	----	----	----	----
Depreciation	\$ 2,809	\$ 2,744	\$ 7,717	\$ 8,003
Amortization	3,655	3,865	10,166	11,295
Capital expenditures	2,340	3,191	6,291	7,529

Note A - The Consolidated Condensed Balance Sheet as of September 30, 2004

includes the estimated assets and liabilities related to the Bard Endoscopic Technologies acquisition.

CONMED NEWS RELEASE CONTINUED:

6 of 7

October 21, 2004

CONMED CORPORATION
RECONCILIATION OF REPORTED NET INCOME TO NET INCOME
BEFORE NONRECURRING ITEMS
(In thousands except per share amounts)
(unaudited)

	Three months ended	

	September 30,	
	2003	2004
	----	----
Reported net income	\$ 9,706	\$ 1,699

Write-off of purchased in-process research and development assets	----- --	----- 13,700
Pension settlement costs	758	--
Other acquisition-related costs	395	867
Total other expense (income), net	1,153	867
Acquisition-related interest expense	--	360
Nonrecurring expense before income taxes	1,153	14,927
Provision (benefit) for income taxes on nonrecurring expense	(415)	(5,150)
Net income before nonrecurring items	\$ 10,444	\$ 11,476
	=====	=====

Per share data:

Reported net income (loss)		
Basic	\$ 0.34	\$ 0.06
Diluted	0.33	0.06
Net income before nonrecurring items		
Basic	\$ 0.36	\$ 0.38
Diluted	0.36	0.38

Management has provided the above reconciliation of net income before nonrecurring items as an additional measure that investors can use to compare operating performance between reporting periods. Management believes this reconciliation provides a useful presentation of operating performance.

CONMED NEWS RELEASE CONTINUED:

7 of 7

October 21, 2004

CONMED CORPORATION
RECONCILIATION OF REPORTED NET INCOME TO NET INCOME
BEFORE NONRECURRING ITEMS
(In thousands except per share amounts)
(unaudited)

	Nine months ended September 30,	
	2003	2004
	-----	-----
Reported net income	\$ 19,137	\$ 26,030
Acquisition-related costs included in cost of sales	739	--
Write-off of purchased in-process research and development assets	7,900	13,700
Gain on settlement of a contractual dispute,		

net of legal costs	(9,000)	--
Pension settlement costs	2,839	--
Other acquisition-related costs	2,966	867
	-----	-----
Total other expense (income), net	(3,195)	867
	-----	-----
Acquisition-related interest expense	--	360
Loss on early extinguishment of debt	8,078	--
	-----	-----
Nonrecurring expense before income taxes	13,522	14,927
Provision (benefit) for income taxes on nonrecurring expense	(2,024)	(5,150)
	-----	-----
Net income before nonrecurring items	\$ 30,635	\$ 35,807
	=====	=====
Per share data:		
Reported net income		
Basic	\$ 0.66	\$ 0.88
Diluted	0.66	0.86
Net income before nonrecurring items		
Basic	\$ 1.06	\$ 1.21
Diluted	1.05	1.18

Management has provided the above reconciliation of net income before nonrecurring items as an additional measure that investors can use to compare operating performance between reporting periods. Management believes this reconciliation provides a useful presentation of operating performance.