# Teleflex Reports Second Quarter 2002 Results; Revenues Increase 9%, Net Income Up 8% Over Last Year

July 17, 2002

PLYMOUTH MEETING, Pa.--(BUSINESS WIRE)--July 17, 2002--Teleflex Incorporated (NYSE:TFX) today reported that revenues increased 9% to $546.3 million in the second quarter ended June 30, 2002 from $503.0 million for the same period last year. Net income in the quarter was $33.5 million and diluted earnings per share were 84 cents.

Revenues in the first six months of 2002 increased 8% to $1,054.7 million compared to $973.7 million last year. Net income was $64.0 million in the first six months compared with $61.0 million for the same period a year ago. Diluted earnings per share increased to $1.61 from $1.56 per share for the same period in 2001.

Jeffrey P. Black, president and chief executive officer, said, "Our Commercial and Medical segments both reported higher sales in the second quarter, which more than offset weak demand for Aerospace products, a reflection of softness in the commercial aerospace industry. Our strategy of balance and diversification once again enabled Teleflex to grow because of the differing business cycles in the markets we serve." In the second quarter, core businesses contributed approximately one-third of the growth in sales and acquisitions contributed approximately two-thirds.

Mr. Black said that while demand for aerospace products is likely to remain soft in the second half of the year, he expects the medical, automotive, marine and industrial product lines to continue to grow. "Based on current economic conditions, we remain comfortable with our previously-stated guidance of $3.20 to $3.30 for full year 2002," said Mr. Black.

The Commercial Segment increased sales 18% in the second quarter with gains in all three product lines. The Segment contributed 53% of total corporate revenues. Sales of adjustable pedal systems expanded to additional automotive platforms. Strong core growth in light duty cables and marine products was supplemented by acquisitions. Operating profit increased but pricing pressures and severance connected with the curtailment of a plant affected Segment margins adversely.

Medical Segment sales increased 6% in the quarter and accounted for 21% of total revenues. Both the surgical devices and the hospital supply product lines reported solid growth. A majority of the growth was from core operations, including the success of a new program that ensures quick delivery of the most frequently-ordered surgical products. Acquisitions added modestly to sales and operating margins remained relatively the same compared to a year ago.

Aerospace Segment sales declined 5% from the second quarter of 2001. Revenues declined in all four product lines, reflecting continuing weakness in the commercial aerospace industry. The Aerospace Segment accounted for 26% of corporate revenues. Operating profit declined as a result of lower volume as well as expenses related to the development and launch of new cargo products.

In accordance with the adoption of SFAS 142, Teleflex stopped amortizing goodwill as of December 31, 2001. Excluding goodwill amortization in the second quarter of 2001, net income remained even with the second quarter of last year and diluted earnings per share declined 1%. To facilitate comparisons of segment operating results, prior year goodwill amortization in the accompanying financial summary has been reclassified as a corporate rather than a segment expense. Goodwill amortization expense in the second quarter of 2001 was $3.2 million pre-tax, or 6 cents per share after tax. The pre-tax impact on second quarter 2001 operating earnings by segment is as follows: Aerospace $346,000; Medical $2,142,000; Commercial $740,000.

As previously announced, Teleflex will comment on second quarter 2002 results on a conference call to be held Thursday, July 18th, at 11:15 a.m. (ET). The figures are as follows:

COMPARATIVE SUMMARY OF REVENUES AND EARNINGS
(Unaudited)

| Three Months Ended | June 30, 2002 | July 1, 2001 | Percent Change |
|---|---|---|---|
| Sales | | | |
| Commercial Products | $291,648,000 | $246,598,000 | 18% |
| Medical Products | 113,473,000 | 107,366,000 | 6% |
| Aerospace Products | 141,185,000 | 149,040,000 | (5%) |
| Total | $546,306,000 | $503,004,000 | 9% |
| Operating Profit | | | |
| Commercial Products | $29,684,000 | $26,638,000 | 11% |
| Medical Products | 18,394,000 | 17,658,000 | 4% |
| Aerospace Products | 10,888,000 | 16,436,000 | (34%) |
| Total | $58,966,000 | $60,732,000(a) | (3%) |
| Less: | | | |
| Interest expense | 6,239,000 | 7,378,000 | (15%) |

| | | | |
|---|---|---|---|
| Corporate expenses | 4,613,000 | 4,649,000 | (1%) |
| Goodwill amortization | -- | 3,228,000(a) | -- |
| Income before taxes | 48,114,000 | 45,477,000 | 6% |
| Taxes on income | 14,578,000 | 14,416,000 | 1% |
| Net income | $33,536,000 | $31,061,000 | 8% |
| Earnings per share | | | |
| Basic | $.85 | $.80 | 6% |
| Diluted | $.84 | $.79 | 6% |
| Average shares outstanding | | | |
| Basic | 39,241,000 | 38,755,000 | |
| Diluted | 39,968,000 | 39,359,000 | |

| Six Months Ended | June 30, 2002 | July 1, 2001 | Percent Change |
|---|---|---|---|
| Sales | | | |
| Commercial Products | $557,400,000 | $469,416,000 | 19% |
| Medical Products | 220,776,000 | 213,770,000 | 3% |
| Aerospace Products | 276,526,000 | 290,552,000 | (5%) |
| Total | $1,054,702,000 | $973,738,000 | 8% |
| Operating Profit | | | |
| Commercial Products | $55,388,000 | $51,708,000 | 7% |
| Medical Products | 35,761,000 | 34,733,000 | 3% |
| Aerospace Products | 22,317,000 | 32,871,000 | (32%) |
| Total | $113,466,000 | $119,312,000(a) | (5%) |
| Less: | | | |
| Interest expense | 12,275,000 | 14,089,000 | (13%) |
| Corporate expenses | 9,183,000 | 9,293,000 | (1%) |
| Goodwill amortization | -- | 6,428,000(a) | -- |
| Income before taxes | 92,008,000 | 89,502,000 | 3% |
| Taxes on income | 28,054,000 | 28,460,000 | (1%) |
| Net income | $63,954,000 | $61,042,000 | 5% |
| Earnings per share | | | |
| Basic | $1.63 | $1.58 | 3% |
| Diluted | $1.61 | $1.56 | 3% |
| Average shares outstanding | | | |
| Basic | 39,140,000 | 38,626,000 | |
| Diluted | 39,803,000 | 39,198,000 | |

(a) Goodwill amortization has been reclassified from operating profit to a corporate expense item to facilitate comparison with the current period's results.

CONDENSED CONSOLIDATED BALANCE SHEET
(Unaudited)

| | June 30, 2002 | December 30, 2001 |
|---|---|---|
| Assets | | |
| Current assets | | |
| Cash and cash equivalents | $45,762,000 | $46,900,000 |
| Accounts receivable, net | 418,162,000 | 363,674,000 |
| Inventories | 353,956,000 | 308,775,000 |
| Prepaid expenses | 28,576,000 | 28,128,000 |

| | | |
|---|---|---|
| | 846,456,000 | 747,477,000 |
| Property, plant and equipment, net | 585,290,000 | 565,695,000 |
| Goodwill | 240,047,000 | 223,911,000 |
| Intangibles and other assets | 60,214,000 | 56,444,000 |
| Investments in affiliates | 43,860,000 | 41,493,000 |
| | $1,775,867,000 | $1,635,020,000 |
| Liabilities and shareholders' equity | | |
| Current liabilities | | |
| Current borrowings | $222,228,000 | $212,122,000 |
| Accounts payable and accrued expenses | 279,845,000 | 251,805,000 |
| Income taxes payable | 40,649,000 | 31,499,000 |
| | 542,722,000 | 495,426,000 |
| Long-term borrowings | 226,521,000 | 228,180,000 |
| Deferred income taxes and other | 145,619,000 | 133,271,000 |
| | 914,862,000 | 856,877,000 |
| Shareholders' equity | 861,005,000 | 778,143,000 |
| | $1,775,867,000 | $1,635,020,000 |

Teleflex At A Glance:

Teleflex is a diversified industrial company with annual revenues of approximately $2 billion. The company designs, manufactures and distributes quality engineered products and services for the aerospace, medical, automotive, marine and industrial markets worldwide. Teleflex employs more than 17,000 people worldwide who focus on providing innovative solutions for customers. Additional information about Teleflex, including a recent archived conference call with analysts and investors, can be obtained from the company's Web site on the Internet at www.teleflex.com.

Forward-looking information:

Statements in this news release, other than historical data, are considered forward-looking statements under the Private Securities Litigation Reform Act of 1995. These statements are subject to various risks and uncertainties that could cause actual results to differ from those contemplated in the statements. These factors are discussed in the company's Securities and Exchange Commission filings.

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