Teleflex Provides 2005 Outlook

December 17, 2004

LIMERICK, Pa.--(BUSINESS WIRE)--Dec. 16, 2004--Teleflex Incorporated (NYSE:TFX) today provided a preliminary financial performance outlook for 2005. The company expects reported diluted earnings per share for the full year 2005 including charges related to the previously-announced restructuring and divestiture program to be in the range of $2.80 to $3.00 and diluted earnings per share from continuing operations, excluding one-time charges, to be in the range of $3.60 to $3.80. This preliminary outlook excludes gains, losses or costs associated with further portfolio adjustments that may occur. Financial results in 2005 should benefit from several strategic actions announced in 2004.

Jeffrey P. Black, president and chief executive officer of Teleflex, stated, "From our vantage point today, 2005 looks like it will be a strong year for the company. A focus on cash flow management should increase cash flow from operations by 20 to 25 percent year over year. Cost benefits from the restructuring and divestiture program, accretion from the HudsonRCI acquisition, and the positive impact of portfolio changes in 2004 should improve operating margins across all three business segments. The actions we have taken and our strong balance sheet will enable us to pursue strategic acquisitions in the years ahead."

During 2004, Teleflex announced several strategic actions to drive increased shareholder value and position the company for the future, including:

- The acquisition of HudsonRCI, a leading provider of disposable medical products for respiratory care and anesthesia. The HudsonRCI acquisition is expected to be modestly accretive in 2004 and to contribute approximately 25 cents per share to earnings per share during 2005.

- A restructuring and divestiture program initiated in November 2004 to improve operational performance and position the company for future earnings growth, which is expected to deliver annual cost benefits in the range of $50-$54 million pre-tax in 2005 or roughly 80 cents to 90 cents per diluted share. The program is expected to achieve annualized benefits of $75-$85 million pre-tax beginning in the fourth quarter of 2005.

- Included in the restructuring and divestiture program announcement in November, the company stated that the Tier 1 automotive pedal systems business, which represents annual revenues of approximately $130 million in 2004, has been identified for divestiture and will be reflected as a discontinued operation in the company's consolidated financial statements. In addition, the company announced that it is in the process of exiting the aftermarket services portion of its Industrial Gas Turbine Services product line, which will represent annual revenues of approximately $28 million in 2004. These businesses are expected to have a combined loss of at least $30 million in 2004.

- In addition, during the first nine months of 2004, the company announced the divestiture of businesses which, in the aggregate, represent annualized revenues of approximately $105 million. In 2004, operating profit from these businesses was approximately $3.3 million. Combined net gains from these divestitures contributed 6 cents per share after tax to 2004 diluted earnings per share.

In 2005, core revenue growth from continuing operations, excluding acquisitions and currency effects, is expected to be slightly ahead of this year with strength in industrial markets partially offset by a forecasted decline in revenues for the Tier 1 automotive businesses. During the same period, operating profit from continuing operations is expected to increase in each of the company's three business segments with overall operating margins increasing to historic double-digit levels by year end.

Mr. Black continued, "As we complete 2004, we continue to expect solid performances in our core businesses. We are holding to the view of operating financial performance expectations that we outlined in our November press release. However, we have completed certain actions related to European restructuring earlier than planned. As a result of this, and the related European tax impact, we now anticipate the earlier recognition of 40 cents per share in restructuring charges in the fourth quarter and we are forecasting diluted earnings per share for the full year 2004 from continuing operations, including charges related to the divestiture and restructuring program, to be in the range of $0.80 to $1.07."

The benefits of $50-$54 million arising from the restructuring and divestiture program announced in November include approximately $30 million of benefits related to exit and divestiture activity. The remaining anticipated 2005 cost savings will result from actions related to facility consolidation and downsizing, anticipated to be divided equally between the Medical and Commercial segments with a modest savings relating to consolidation activities in the Aerospace Segment.

The company expects cash flow from operations in 2004 of approximately $260 million. Further, the company would anticipate cash flow from operations to increase by approximately 20 to 25 percent for full year 2005 when compared to full year 2004.

Added Black, "In 2005, we will be focused on completing planned divestitures and continuing to execute our announced restructuring program while providing customers with a seamless transition. Fluctuating foreign currency markets, increased corporate costs, and increased tax rates could present some near-term challenges. However, on balance we believe that the benefits of the restructuring program and continued solid core growth will create earnings growth in 2005 and provide a strong foundation for profitable growth in 2006 and beyond."

As previously announced, Teleflex will hold a conference call on Friday, December 17, 2004, at 9:00 a.m. (EST) to recap its 2004 strategic actions and to outline how these actions are expected to contribute to earnings growth in 2005. The conference call will be available live and archived on the company's website at www.teleflex.com. In addition, an audio replay will be available from December 17 until December 22 by calling 888-286-8010 (US/Canada) or 617-801-6888 (International), passcode # 11320389.

Teleflex at a Glance:

Teleflex is a diversified industrial company with annual revenues of more than $2 billion. The company designs, manufactures and distributes quality engineered products and services for the medical, aerospace, automotive, marine and industrial markets worldwide. Teleflex employs more than 21,000 people worldwide who focus on providing innovative solutions for customers. Additional information about Teleflex can be obtained from the company's website on the Internet at www.teleflex.com.

Forward-looking information:

This press release contains forward-looking statements, including, but not limited to, statements relating to planned actions under the restructuring program; charges expected to be recorded in connection with the restructuring program; expected cost benefits and other benefits resulting from the restructuring program; expected reductions in location and workforce; timing of divestitures, expected gains or losses resulting from divestitures, phase out or consolidation of Teleflex businesses; expected full year diluted earnings per share from operations before and after giving the effect of charges related to the restructuring program; and expected 2004 revenues from portions of the industrial gas turbine services business and the pedal systems business; forecasts of revenue growth, forecasts of diluted earnings per share, forecasts of cash flow from operations, and forecasts of expected results relating to HudsonRCI. Actual results could differ materially from those in these forward-looking statements due to, among other things, inability to sell businesses at prices, or within time-periods, anticipated by management; unanticipated expenditures in connection with the effectuation of restructuring programs; costs and length of time required to comply with legal requirements applicable to certain aspects of the restructuring program; unanticipated difficulties in connection with consolidation of manufacturing and administrative functions; customer reaction to the program; and other factors described in Teleflex's filings with the Securities and Exchange Commission.

Notes:

On March 2, 2004, the company announced that it had been notified that a jury had rendered a verdict against one of its subsidiaries in a trademark infringement case in the amount of $2.6 million as "reasonable royalties" and an additional $32.2 million as "unjust enrichment." Judgment was not entered on the verdict and the trial judge has reserved judgment on the matter. Under applicable Federal trademark law, the trial judge has the discretion to determine whether and in what amount an award for unjust enrichment will be made. As of December 16, 2004, no judgment had been entered on this matter. The company cannot predict when judgment will be entered in this case, nor predict what amount, if any, may be awarded for unjust enrichment.

For more information please refer to the company's 2003 Form 10-K and annual report to shareholders available at www.teleflex.com.

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