

Teleflex Incorporated

First Quarter 2017

Earnings Conference Call

Teleflex®

Conference Call Logistics

The release, accompanying slides, and replay webcast are available online at www.teleflex.com (click on “Investors”)

Telephone replay available by dialing 855-859-2056 or for international calls, 404-537-3406, pass code number 12639722

Introductions

Benson Smith

Chairman and CEO

Liam Kelly

President and COO

Thomas Powell

Executive Vice President and CFO

Jake Elguicze

Treasurer and Vice President of Investor Relations

Note on Forward-Looking Statements

This presentation and our discussion contain forward-looking information and statements including, but not limited to, forecasted 2017 GAAP and constant currency revenue growth, GAAP and adjusted gross and operating margins and adjusted earnings per share and the items that are expected to impact each of those forecasted results; estimated pre-tax charges we expect to incur and annualized pre-tax savings we expect to realize in connection with our restructuring programs; our expectations with respect to when we will begin to realize savings from our restructuring programs and when those programs will be substantially completed; our expectation with respect to estimated annual increases in our revenue related to improved pricing with respect to certain of our kits; and other matters which inherently involve risks and uncertainties which could cause actual results to differ from those projected or implied in the forward–looking statements. These risks and uncertainties are addressed in our SEC filings, including our most recent Form 10-K.

Note on Non-GAAP Financial Measures

This presentation refers to certain non-GAAP financial measures, including, but not limited to, constant currency revenue growth, adjusted diluted earnings per share, adjusted gross and operating margins and adjusted tax rate. These non-GAAP financial measures should not be considered replacements for, and should be read together with, the most comparable GAAP financial measures. Tables reconciling these non-GAAP financial measures to the most comparable GAAP financial measures are contained within the appendices to this presentation.

Additional Notes

Unless otherwise noted, the following slides reflect continuing operations.

Executive Summary

First quarter 2017 revenue of $487.9 million

- **Up 14.8% vs. prior year period on an as-reported basis**
- **Up 16.0% vs. prior year period on a constant currency basis**
- **Q1'17 results include a partial quarter of contribution from Vascular Solutions which added approximately 5% towards revenue growth during the quarter**

First quarter 2017 Earnings Per Share

- **GAAP EPS of $0.87, down 17.1% vs. prior year period**
- **Adjusted EPS of $1.80, up 18.4% vs. prior year period**

2017 Full Year Financial Guidance

- **Reaffirmed GAAP revenue growth range of 10.0% - 11.5%**
- **Reaffirmed constant currency revenue growth range of 12.5% - 14.0%**
- **Raised GAAP EPS range from $5.04 - $5.08 to $5.59 - $5.66**
- **Raised adjusted EPS range from $8.00 - $8.15 to $8.05 to $8.23**

Note: See appendices for reconciliations of non-GAAP information

First Quarter Highlights

First quarter 2017 constant currency revenue growth of 16.0%

- **Sales volume of existing products contributed 7.8% of constant currency growth, including impact of five additional selling days in the quarter which contributed approximately 6%**

- **Acquisitions contributed 5.8% of constant currency revenue growth, including Vascular Solutions which contributed 5.1% and Cartika which contributed 0.7%**

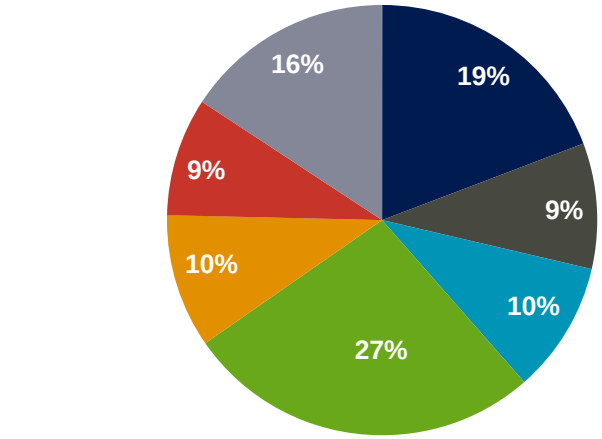
- **Sales volume of new products contributed 1.8% of constant currency growth**

- **Pricing increases contributed 0.6% of constant currency growth**

Note: See appendices for reconciliations of non-GAAP information

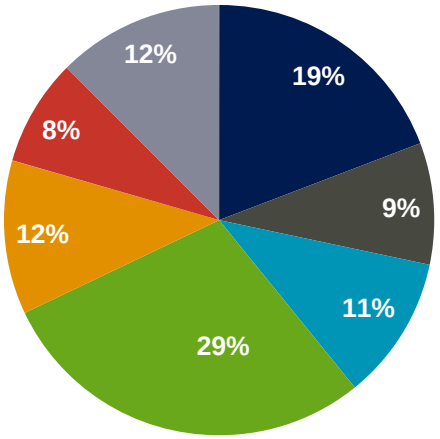
Segment Revenue Review

Q1'17



- Vascular North America
- Surgical North America
- Anesthesia North America
- EMEA
- Asia
- OEM
- All Other

Q1'16



- Vascular North America
- Surgical North America
- Anesthesia North America
- EMEA
- Asia
- OEM
- All Other

Constant Currency Revenue Commentary

Vascular N.A.: $93.8 million, up 14.8%

Anesthesia N.A.: $48.2 million, up 4.7%

Surgical N.A.: $46.0 million, up 17.7%

EMEA: $130.7 million, up 10.9%

Asia: $49.0 million, down 0.4%

OEM: $43.3 million, up 28.4%

All Other: $76.9 million, up 45.0%

Note: Increases and decreases in revenue referred to above are as compared to results for the first quarter of 2016. See appendices for reconciliations of non-GAAP information.

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Group Purchasing Organization and IDN Review

Track record of expansion of contractual agreements continues in Q1'17

Group Purchasing Organization Update

- **9 renewed agreements**
- **1 new agreement**
- **1 existing agreement not renewed**

IDN Update

- **7 renewed agreements**
- **13 new agreements**

Spectre™ Guidewire

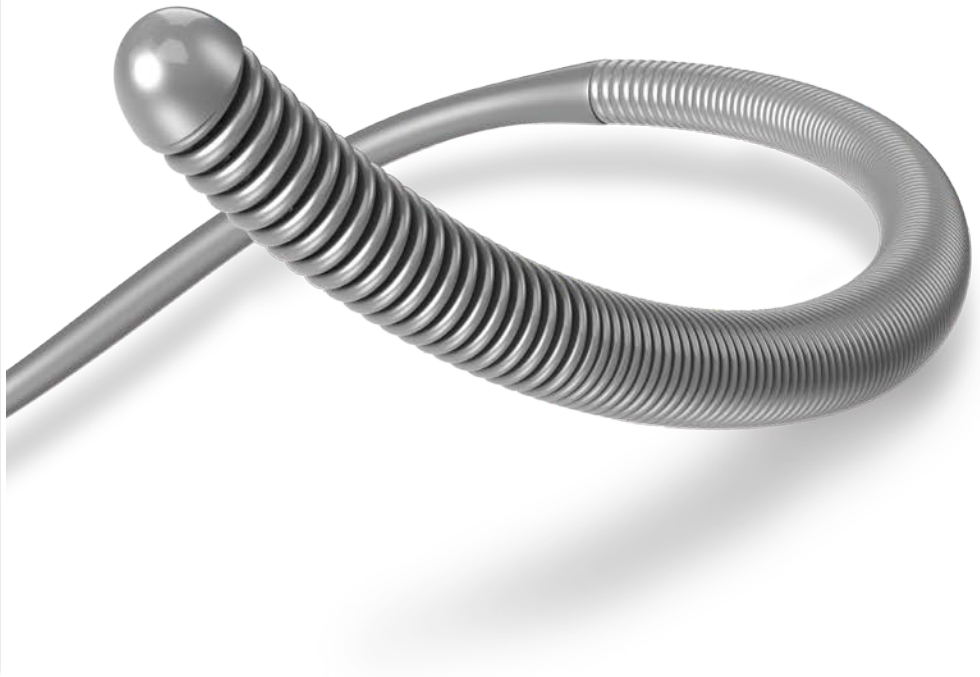
PRODUCT DESCRIPTION

Recently received FDA 510(k) clearance and initiated U.S. commercial launch of the Spectre™ Guidewire, which is designed for premium performance in coronary and peripheral interventions with enhanced trackability and torque control.

The Spectre™ Guidewire is engineered with a smooth stainless steel-to-nitinol dual-core transition that balances strength and agility.

The Spectre™ is a 0.014” guidewire available in 190 cm and 300 cm lengths with a distal hydrophilic coating and a proximal PTFE coating.

Approximately 70% of guidewires used in percutaneous coronary interventions (PCI) are considered workhorse wires and are used to deliver catheters, balloons, stents, and other diagnostic and therapeutic devices. As a workhorse wire, the Spectre™ Guidewire was designed to be applicable to the majority of PCIs.



Twin-Pass® Torque Dual Access Catheter



PRODUCT DESCRIPTION

Recently received FDA 510(k) clearance and initiated both U.S. and international commercial launch of the Twin-Pass® Torque Dual Access Catheter.

The Twin-Pass® Torque Dual Access Catheter contains both a rapid-exchange (RX) lumen and an over-the-wire (OTW) lumen. With a 0.014” guidewire deployed through the RX lumen into the main branch, the OTW lumen can be used for guidewire exchange, subsequent delivery of a second guidewire into the side branch, or fluid injection to a desired distal vessel segment.

Designed for procedures that call for the delivery of two interventional guidewires from a single catheter in clinical situations where catheter delivery and torsional control are paramount.

TrapLiner™ Catheter

PRODUCT DESCRIPTION

Recently received FDA 510(k) clearance and initiated U.S. commercial launch of the TrapLiner™ Catheter.

The TrapLiner™ Catheter is similar in design to Vascular Solutions' popular GuideLiner Guide Extension Catheter, with the added feature of an integrated balloon for trapping a standard 0.014" guidewire within a guide catheter.

The TrapLiner™ Catheter can be used as an alternative method to the trapping technique that requires the use of a PTCA balloon to exchange an existing over-the-wire catheter while maintaining guidewire position. The technique of guidewire trapping for catheter exchange is most commonly performed in complex interventional procedures.



Arrow® AC3 Optimus™ Intra-Aortic Balloon Pump



PRODUCT DESCRIPTION

Recently received FDA 510(k) clearance for the AC3 Optimus™ Intra-Aortic Balloon Pump (IABP).

This device helps a weakened heart pump blood and can deliver IABP therapy to a broad range of patients, even those not previously considered candidates for IABP therapy. Clinicians may use the pump on patients with the most severe arrhythmias or with heart rates as high as 200 beats per minute.[1,2]

The AC3 Optimus™ IABP has a third-generation AutoPilot® Mode, which uses proprietary algorithms to address key clinical challenges and to simplify the delivery of IABP therapy.[3] In AutoPilot® Mode, the AC3 Optimus™ IABP automatically adjusts timing and triggering parameters, freeing clinicians to focus on the patient rather than the pump. In addition, the AC3 Optimus™ IABP includes several exclusive algorithms, such as WAVE® Inflation Timing, Deflation Timing Management, and Best Signal Analysis, which optimize key functions of the IABP to deliver therapy to the most challenging patients.

1. Schreuder J, Castiglioni A, Donelli A, et al. Automatic intraaortic balloon pump timing using an intra beat dicrotic notch prediction algorithm. *Ann Thorac Surg.* 2005;79(3):1017-1022. Study sponsored by Teleflex.
2. Donelli A, Jansen JRC, Hoeksel B, et al. Performance of a real-time dicrotic notch detection and prediction algorithm in arrhythmic human aortic pressure signals. *J Clin Monit.* 2002;17(3-4):181-185. Study sponsored by Teleflex.
3. Torracca, L. Overcoming electro-surgical inference in IABP therapy with the combined use of AutoPilot and FiberOptix IAB sensor signal. 2007. *(case report, data on file).* Study sponsored by Teleflex.

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Completed acquisition of Pyng Medical

- **Pyng Medical commercializes trauma and resuscitation products for front-line critical care and emergency medical personnel**
- **Product portfolio includes a variety of innovative, lifesaving tools, including intraosseous infusion, pelvic stabilization, hemorrhage control and emergency airway management**
- **All-cash transaction, which is accretive on a Non-GAAP basis, completed in April 2017 enhances Teleflex product offerings for the military and civilian trauma markets and builds upon previous acquisitions in the emergency medicine field (i.e. Vidacare and LMA)**







Restructuring Update

2017 Vascular Solutions Integration Program

During the first quarter 2017, we committed to a restructuring program related to the integration of Vascular Solutions' operations with our operations. We initiated the program in the first quarter 2017 and expect the program to be substantially completed by the end of the second quarter 2018. We estimate that we will record aggregate pretax restructuring charges of $6.0 million to $7.5 million related to this program, of which $4.5 million to $5.3 million will constitute termination benefits, and $1.5 million to $2.2 million will relate to other exit costs, including employee relocation and outplacement costs. Additionally, we expect to incur $2.5 million to $3.0 million of restructuring related charges consisting primarily of retention bonuses offered to certain employees expected to remain with the Company after completion of the program. All of these charges will result in future cash outlays.

We began realizing program-related synergies in the first quarter 2017 and expect to achieve annualized pre-tax synergies of $20 million to $25 million once the program is fully implemented.

2017 EMEA Restructuring Program

During the first quarter 2017, we committed to a restructuring program to centralize certain administrative functions in Europe. The program will commence in the second quarter 2017 and is expected to be substantially completed by the end of 2018. We estimate that we will record aggregate pre-tax restructuring charges of $7.1 million to $8.5 million related to this program, almost all of which constitute termination benefits, and all of which will result in future cash outlays.

We expect to achieve annualized pre-tax savings of $2.7 million to $3.3 million once the program is fully implemented and expect to begin realizing plan related savings in the first quarter 2018.

Restructuring Update

In addition to the restructuring programs initiated during the first quarter 2017, we have other ongoing restructuring programs related to the consolidation of our manufacturing operations (referred to as our 2016 and 2014 footprint realignment plans) as well as restructuring programs designed to improve operating efficiencies and reduce costs. With respect to our restructuring plans and programs, the following table summarizes (1) the estimated total cost and estimated annual pre-tax savings once the programs are completed; (2) the costs incurred and estimated pre-tax savings realized through December 31, 2016; and (3) the costs expected to be incurred and estimated incremental pre-tax savings estimated to be realized for these programs from January 1, 2017 through the anticipated completion dates:

Dollars in Millions	Estimated Total	Through December 31, 2016	Estimated remaining from January 1, 2017 through December 31, 2021 [2]
Restructuring charges	$51 to $60	$33	$18 to $27
Restructuring related charges [1]	$53 to $65	$30	$23 to $35
Total charges	$104 to $125	$63	$41 to $62
Pre-tax savings [3]	$60 to $71	$31	$29 to $40
Vascular Solutions integration program - synergies	$20 to $25	–	$20 to $25

1. Restructuring related charges principally constitute accelerated depreciation and other costs primarily related to the transfer of manufacturing operations to new locations and are expected to be recognized primarily in cost of goods sold.

2. We expect to incur substantially all of the costs prior to the end of 2018, and to have realized substantially all of the estimated annual pre-tax savings and synergies by the year ended December 31, 2019.

3. Approximately 65% of the savings is expected to result in reductions to cost of goods sold. During 2016, in connection with our execution of the 2014 footprint realignment plan, we implemented changes to medication delivery devices included in certain of our kits, which are expected to result in increased product costs (and therefore reduce the annual savings that were estimated at the inception of the program). However, we also expect to achieve improved pricing on these kits to offset the cost, which is expected to result in estimated annual increased revenues of $5 million to $6 million. We expect to begin realizing the benefits of this incremental pricing in 2017. Savings generated from restructuring programs are difficult to estimate, given the nature and timing of the restructuring activities and the possibility that unanticipated expenditures may be required as the program progresses. Moreover, predictions of revenues related to increased pricing are particularly uncertain and can be affected by a number of factors, including customer resistance to price increases and competition.

First Quarter Financial Review

Revenue of $487.9 million

- Up 14.8% vs. prior year period on an as-reported basis
- Up 16.0% vs. prior year period on a constant currency basis

Gross Margin

- GAAP gross margin of 52.4%, down 60 bps vs. prior year period
- Adjusted gross margin of 54.7%, up 110 bps vs. prior year period

Operating Margin

- GAAP operating margin of 12.5%, down 340 bps vs. prior year period
- Adjusted operating margin of 23.4%, up 100 bps vs. prior year period

Tax Rate

- GAAP tax rate of (7.1%), down 1,200 bps vs. prior year period
- Adjusted tax rate of 16.1%, down 290 bps vs. prior year period

Earnings Per Share

- GAAP EPS of $0.87, down 17.1% vs. prior year period
- Adjusted EPS of $1.80, up 18.4% vs. prior year period

Note: See appendices for reconciliations of non-GAAP information

2017 Financial Outlook Assumptions

2017 Revenue Guidance

- **Reaffirmed as-reported revenue growth range of 10.0% - 11.5%**
- **Reaffirmed constant currency revenue growth range of 12.5% - 14.0%**

2017 Gross Margin Guidance

- **Lowered GAAP gross margin range from 54.15% - 54.70% to 54.10% - 54.65%**
- **Reaffirmed adjusted gross margin range of 55.4% - 56.0%**

2017 Operating Margin Guidance

- **Raised GAAP operating margin range from 16.5% - 17.1% to 18.2% - 18.8%**
- **Reaffirmed adjusted operating margin range of 25.6% - 26.3%**

2017 Earnings Per Share Guidance

- **Raised GAAP earnings per share range from $5.04 - $5.08 to $5.59 - $5.66**
- **Raised adjusted earnings per share range from $8.00 - $8.15 to $8.05 - $8.23**

Note: See appendices for reconciliations of non-GAAP information

Any Questions?

Thank You

Thank You

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Appendices

Non-GAAP Financial Measures

The following appendices include, among other things, tables reconciling the following non-GAAP financial measures to the most comparable GAAP financial measure:

- *Constant currency revenue growth*. This measure excludes the impact of translating the results of international subsidiaries at different currency exchange rates from period to period.
- *Adjusted diluted earnings per share*. This measure excludes, depending on the period presented (i) restructuring and other impairment charges; (ii) certain losses and other charges, including, for 2017, costs related to the Company's acquisition of Vascular Solutions and facility consolidation costs and, for 2016, charges primarily related to facility consolidation and acquisition costs, net of reversals related to contingent consideration liabilities and the gain on sale of the sale of an asset; (iii) amortization of the debt discount on the Company's convertible notes; (iv) intangible amortization expense; (v) loss on extinguishment of debt; and (vi) tax benefits resulting primarily from the expiration of applicable statutes of limitations for prior year returns, the resolution of audits, the filing of amended returns with respect to prior tax years and/or tax law changes affecting the Company's deferred tax liability. In addition, the calculation of diluted shares within adjusted earnings per share gives effect to the anti-dilutive impact of the Company's convertible note hedge agreements, which reduce the potential economic dilution that otherwise would occur upon conversion of the Company's senior subordinated convertible notes (under GAAP, the anti-dilutive impact of the convertible note hedge agreements is not reflected in diluted shares).
- *Adjusted gross margin*. This measure excludes, depending on the period presented, certain losses, other charges and charge reversals, inventory step-up costs associated with our acquisition of Vascular Solutions and facility consolidation costs.
- *Adjusted operating margin*. This measure excludes, depending on the period presented, (i) the impact of restructuring and other impairment charges; (ii) losses and other charges primarily related to acquisition and facility consolidation costs and the gain on sale of an asset; and (iii) intangible amortization expense.
- *Adjusted tax rate*. This measure is the percentage of the Company's adjusted taxes on income from continuing operations to its adjusted income from continuing operations before taxes. Adjusted taxes on income from continuing operations excludes, depending on the period presented, the impact of tax benefits or costs associated with (i) restructuring and impairment charges; (ii) amortization of the debt discount on the Company's convertible notes; (iii) intangible amortization expense; (iv) loss on extinguishment of debt; (v) the resolution of, or expiration of statutes of limitations with respect to, various prior years' tax matters, the filing of amended tax returns with respect to prior years and tax law changes affecting our deferred tax liability; and (vi) losses and other charges primarily related to acquisition and facility consolidation costs and the gain on sale of an asset.

APPENDIX A –
RECONCILIATION OF CONSTANT CURRENCY REVENUE GROWTH
DOLLARS IN MILLIONS

	Three Months Ended		% Increase / (Decrease)		
	April 2, 2017	March 27, 2016	Constant Currency	Currency	Total
Vascular North America	$ 93.8	$ 81.5	14.8%	0.2%	15.0%
Anesthesia North America	48.2	46.0	4.7%	0.2%	4.9%
Surgical North America	46.0	38.9	17.7%	0.3%	18.0%
EMEA	130.7	122.1	10.9%	(3.8%)	7.1%
Asia	49.0	49.2	(0.4%)	0.0%	(0.4%)
OEM	43.3	34.0	28.4%	(0.8%)	27.6%
All Other	76.9	53.2	45.0%	(0.5%)	44.5%
Net Revenues	**$ 487.9**	**$ 424.9**	**16.0%**	**(1.2%)**	**14.8%**

APPENDIX B –
RECONCILIATION OF REVENUE GROWTH
DOLLARS IN MILLIONS

		Year-over-year growth	
		%	Basis Points
Three Months Ended March 27, 2016 Revenue As-Reported	**$424.9**		
Foreign Currency	(4.3)	-1.2%	(120)
Sales Volume Existing Products	32.8	7.8%	780
Acquisitions [1]	24.2	5.8%	580
New Product Sales	7.5	1.8%	177
Pricing	2.7	0.6%	63
Three Months Ended April 2, 2017 Revenue As-Reported	**$487.9**	**14.8%**	
1 = includes Vascular Solutions	21.6	5.1%	509
1 = includes Cartika	2.6	0.7%	71

	Three Months Ended	
	April 2, 2017	March 27, 2016
Teleflex gross profit as-reported	**$ 255,560**	**$ 225,147**
Teleflex gross margin as-reported	**52.4%**	**53.0%**
Losses and other charges, net (A)	11,541	2,651
Adjusted Teleflex gross profit	**$ 267,101**	**$ 227,798**
Adjusted Teleflex gross margin	**54.7%**	**53.6%**
Teleflex revenue as-reported	**$ 487,881**	**$ 424,893**

(A) In 2017, losses and other charges, net related primarily to inventory step-up costs associated with the acquisition of Vascular Solutions totaling $7.9 million and facility consolidation costs. In 2016, losses and other charges, net related primarily to facility consolidation costs.

APPENDIX D –
RECONCILIATION OF ADJUSTED OPERATING PROFIT AND MARGIN
DOLLARS IN THOUSANDS

	Three Months Ended	
	April 2, 2017	March 27, 2016
Teleflex income from continuing operations before interest and taxes	**$ 60,819**	**$ 67,497**
Teleflex income from continuing operations before interest and taxes margin	**12.5%**	**15.9%**
Restructuring and other impairment charges	12,945	9,968
Losses and other charges, net (A)	21,377	2,271
Intangible amortization expense	18,785	15,357
Adjusted Teleflex income from continuing operations before interest, taxes and intangible amortization expense	**$ 113,926**	**$ 95,093**
Adjusted Teleflex income from continuing operations before interest, taxes and intangible amortization expense margin	**23.4%**	**22.4%**
Teleflex revenue as-reported	**$ 487,881**	**$ 424,893**

(A) In 2017, losses and other charges, net related primarily to costs associated with the acquisition of Vascular Solutions and facility consolidation costs. In 2016, losses and other charges, net related primarily to facility consolidation costs and the gain on sale of an asset.

APPENDIX E –
RECONCILIATION OF ADJUSTED EPS FROM CONTINUING OPERATIONS
QUARTER ENDED – APRIL 2, 2017
DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA

	Cost of goods sold	Selling, general and administrative expenses	Research and development expenses	Restructuring and other impairment charges	(Gain) loss on sale of business and assets	Interest expense, net	Loss on extinguishment of debt, net	Income taxes	Net income (loss) attributable to common shareholders from continuing operations	Diluted earnings per share available to common shareholders	Shares used in calculation of GAAP and adjusted earnings per share
GAAP Basis	$232.3	$164.0	$17.8	$12.9	—	$17.6	$5.6	($2.7)	$40.3	$0.87	46,615
Adjustments											
Restructuring and other impairment charges	—	—	—	12.9	—	—	—	3.0	10.0	$0.21	—
Losses and other charges, net (A)	11.5	9.6	0.2	—	—	2.1	—	7.8	15.7	$0.33	—
Amortization of debt discount on convertible notes	—	—	—	—	—	0.4	—	0.1	0.2	$0.01	—
Intangible amortization expense	—	18.7	0.1	—	—	—	—	5.1	13.7	$0.29	—
Tax adjustment (B)	—	—	—	—	—	—	—	0.5	(0.5)	($0.01)	—
Loss on extinguishment of debt, net	—	—	—	—	—	—	5.6	2.0	3.5	$0.08	—
Shares due to Teleflex under note hedge (C)	—	—	—	—	—	—	—	—	—	$0.02	(477)
Adjusted basis	**$220.8**	**$135.7**	**$17.5**	**—**	**—**	**$15.1**	**—**	**$15.9**	**$82.9**	**$1.80**	**46,138**

(A) In 2017, losses and other charges, net related primarily to costs associated with the acquisition of Vascular Solutions and facility consolidation costs.

(B) The tax adjustment represents a net benefit resulting primarily from the expiration of applicable statutes of limitations for prior year returns, the resolution of audits, the filing of amended returns with respect to prior tax years and/or tax law changes affecting our deferred tax liability.

(C) Adjusted diluted shares are calculated by giving effect to the anti-dilutive impact of the Company's convertible note hedge agreements, which reduce the potential economic dilution that otherwise would occur upon conversion of the Company's convertible notes. Under GAAP, the anti-dilutive impact of the convertible note hedge agreements is not reflected in diluted shares.

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APPENDIX F –
RECONCILIATION OF ADJUSTED EPS FROM CONTINUING OPERATIONS
QUARTER ENDED – MARCH 27, 2016
DOLLARS IN MILLIONS, EXCEPT PER SHARE DATA

	Cost of goods sold	Selling, general and administrative expenses	Research and development expenses	Restructuring and other impairment charges	(Gain) loss on sale of business and assets	Interest expense, net	Income taxes	Net income (loss) attributable to common shareholders from continuing operations	Diluted earnings per share available to common shareholders	Shares used in calculation of GAAP and adjusted earnings per share
GAAP Basis	**$199.7**	**$136.3**	**$12.4**	**$10.0**	**($1.0)**	**$13.7**	**$2.6**	**$51.0**	**$1.05**	**48,782**
Adjustments:										
Restructuring and other impairment charges	—	—	—	10.0	—	—	2.3	7.6	$0.16	—
Losses and other charges, net (A)	2.7	0.6	0.0	—	(1.0)	—	0.9	1.4	$0.03	—
Amortization of debt discount on convertible notes	—	—	—	—	—	3.5	1.3	2.2	$0.05	—
Intangible amortization expense	—	15.4	—	—	—	—	4.1	11.2	$0.23	—
Tax adjustment (B)	—	—	—	—	—	—	5.0	(5.0)	($0.10)	—
Shares due to Teleflex under note hedge (C)	—	—	—	—	—	—	—	—	$0.12	(3,621)
Adjusted basis	**$197.1**	**$120.4**	**$12.4**	**—**	**—**	**$10.2**	**$16.2**	**$68.5**	**$1.52**	**45,161**

(A) In 2016 losses and other charges, net related primarily to facility consolidations and the gain on sale of an asset.

(B) The tax adjustment represents a net benefit resulting primarily from the expiration of applicable statutes of limitations for prior year returns, the resolution of audits, the filing of amended returns with respect to prior tax years and/or tax law changes affecting our deferred tax liability.

(C) Adjusted diluted shares are calculated by giving effect to the anti-dilutive impact of the Company's convertible note hedge agreements, which reduce the potential economic dilution that otherwise would occur upon conversion of our senior subordinated convertible notes. Under GAAP, the anti-dilutive impact of the convertible note hedge agreements is not reflected in diluted shares.

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APPENDIX G –
RECONCILIATION OF ADJUSTED TAX RATE
DOLLARS IN THOUSANDS

Three Months Ended April 2, 2017

	Income from continuing operations before taxes	Taxes on income from continuing operations	Tax rate
GAAP basis	**$37,680**	**($2,669)**	**-7.1%**
Restructuring and impairment charges	12,945	2,961	
Losses and other charges, net (A)	23,448	7,785	
Amortization of debt discount on convertible notes	378	138	
Intangible amortization expense	18,785	5,123	
Loss on extinguishment of debt	5,582	2,041	
Tax adjustment (B)	0	494	
Adjusted basis	**$98,818**	**$15,873**	**16.1%**

Three Months Ended March 27, 2016

GAAP basis	**$53,793**	**$2,613**	**4.9%**
Restructuring and impairment charges	9,968	2,337	
Losses and other charges, net (A)	2,271	852	
Amortization of debt discount on convertible notes	3,467	1,264	
Intangible amortization expense	15,357	4,118	
Tax adjustment (B)	0	4,971	
Adjusted basis	**$84,856**	**$16,155**	**19.0%**

(A) In 2017, losses and other charges, net related primarily to costs associated with the acquisition of Vascular Solutions and facility consolidation costs. In 2016, losses and other charges, net related primarily to facility consolidation costs and the gain on sale of an asset.

(B) The tax adjustment represents a net benefit resulting primarily from the expiration of applicable statutes of limitations for prior year returns, the resolution of audits, the filing of amended returns with respect to prior tax years and/or tax law changes affecting our deferred tax liability.

	Low	High
Forecasted GAAP Revenue Growth	**10.0%**	**11.5%**
Estimated Impact of Foreign Currency Exchange Rate Fluctuations	2.5%	2.5%
Forecasted Constant Currency Revenue Growth	**12.5%**	**14.0%**

	Low	High
Forecasted GAAP Gross Margin	**54.10%**	**54.65%**
Estimated losses and other charges, net	1.30%	1.35%
Forecasted Adjusted Gross Margin	**55.40%**	**56.00%**

Note: In 2017, estimated losses and other charges, net relate primarily to facility consolidation and acquisition related expenses.

	Low	High
Forecasted GAAP Operating Margin	**18.20%**	**18.80%**
Estimated losses and other charges, net	3.35%	3.40%
Estimated intangible amortization expense	4.05%	4.10%
Forecasted Adjusted Operating Margin	**25.60%**	**26.30%**

Note: In 2017, estimated losses and other charges, net relate primarily to facility consolidation and acquisition related expenses.

	Low	High
Forecasted diluted earnings per share attributable to common shareholders	**$5.59**	**$5.66**
Restructuring, impairment charges and special items, net of tax	$1.15	$1.20
Intangible amortization expense, net of tax	$1.30	$1.35
Amortization of debt discount on convertible notes, net of tax	$0.01	$0.02
Forecasted adjusted diluted earnings per share	**$8.05**	**$8.23**