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Teleflex Incorporated

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Lack of innovation needed to drive growth

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Declining margins

Teleflex will see its aggregate margins drop due to increased price pressure resulting from anticipated commoditizing in all three markets

Disappointing organic growth potential

Teleflex is highly dependent upon acquisitions to sustain its current growth rate. Underlying Q42003 revenue growth of 18% was 6% core growth, 5% FX and 7% acquisitions. As the company in its Q4 earnings call not mentioned anticipated acquisitions in 2004 but focused on aggregate streamlining and sell-offs, we see future growth potential as limited

Lacking innovation to enter new niches

Teleflex's past strategy of developing cutting edge products and timing entry into niche markets has been the back bone of its success and growth. 30% senior management turnover, plant closures, centralization and stalling investments in R&D does not, in our view, create a good foundation for innovativeness.

Ongoing search for CFO

Teleflex is not getting any closer to appoint a new CFO. During Q4 earnings call CEO Jeff Black told the market that they will be patient to find the right man for the job. We believe that the ongoing search for a CFO makes Teleflex a risky investment and that a further lagging of this process could put downward pressure on the stock price

DCF implies stock is overvalued

Our DCF model, assuming stronger price pressure than consensus, prices Teleflex at \$47.10 per share, implying a 4.2 % premium to the current market price.

Highlights 2003	Teleflex	Johnson&Johnson	Raytheon	General Electric	Industry (Aggregate)
Revenues	\$2,282	\$41,862	\$18,109	\$134,787	\$49,260
EBIT	\$176	\$10,338	\$1,316	\$30,336	\$10,542
EBIT margin	7.7%	24.7%	7.3%	22.5%	15.5%
Earnings	\$111	\$7,197	\$365	\$15,002	\$5,669
EPS	\$2.79	\$2.65	\$1.29	\$1.56	\$1.7
Valuation					
EV/EBITDA	8.3	12.2	10.8	16.0	14.8
P/E (CFY)	18.6	17	23	19.2	18.9
PEG (CFY P/E, 5yr EPS growth rate)	1.8	1.3	1.9	2.1	1.8
Div Yield	1.6%	1.8%	2.6%	2.6%	2.2%
Market/Book	1.8	5.6	1.4	3.8	4.0

*All valuation multiples are based on consensus numbers

Sell

Price at 26th March 2004 (US\$) 49.07
Price target 47.10
52-week range 35.25 – 54.93



Stock Data

Market Cap (US\$)	1,949
Shares Outstanding (m)	39.69
Free float (%)	88.0
Avg. daily volume ('000)	158
Beta	0.9
CY04 P/E-to-growth	18.6
Est. 5 year EPS growth (%)	10.5
Bond rating	NR
Equity last issued	March 1983
Debt / Cap (%)	0.30
ROE (%)	10.3
Enterprise value (m)	2,348
Net Debt (m)	399
Price / Book	1.8

2003 sales by segment (m)

Commercial Products	1219 (53%)
Medical Products	535 (23%)
Aerospace products	529 (24%)

Company description

Teleflex Incorporated is a manufacturing company that is active in three business segments: Commercial, Medical and Aerospace. The Commercial segment designs and manufactures proprietary mechanical and electrical controls for the automotive market; mechanical, electronic and hydraulic controls and electronic products for the recreational marine market, and proprietary products for fluid transfer and industrial applications. The Medical segment manufactures and distributes a broad range of invasive disposable and reusable devices for the urology, gastroenterology, anesthesiology and respiratory care markets worldwide. The Aerospace segment serves the commercial aerospace, power generation and industrial turbo machinery markets and, to a lesser extent, the military market.

Investment Thesis

Focus on streamlining takes focus away from innovation

Outlook:

2004 is posed to be a year of streamlining operations and core niche focus for Teleflex. We see the focus on shared activities and streamlining as contradictory to its past strategy of innovation and constantly entering new markets. Furthermore, it seems unlikely that Teleflex will reach its revenue growth targets by going down this road. Overall, management is expecting revenue growth of 10%, 5% coming from core growth, 5% from FX and acquisitions. The company has already initiated its first plant closing for Q1 2004 (aerospace), and we expect further facility closings throughout the year. In terms of EBITDA, \$290MM-\$320MM was indicated in the Q4 earnings call as a plausible range. Management has also told the investor community that corporate expenses might be 15-20% higher than expected due to restructuring in the accounting department and general compliance issues.

Plant closing costs (\$9 million in 2003) estimated to be \$10 million in 2004 could continue to plague results as absorption is negatively affected.

In terms of the global footprint, management has indicated that the European and Asian markets will be vital in sustaining Teleflex's growth objectives. However, concrete actions and strategic initiatives in these regions seem diffuse and weak.

DCF modeling suggests that Teleflex is overvalued (assuming margin compression and revenue growth stagnation)

Valuation:

On a DCF basis, our model indicates that Teleflex is currently trading at a 4.2% premium to its intrinsic value. Taking into account dropping margins due to anticipated price pressure in all segments and decreases in revenue growth due to streamlining initiatives and plant closings, our model indicates a per share value of \$47.10. Our sensitivity analysis yields an intrinsic per share focus-interval of \$43.45 to \$52.45 running WACCAT from 6.9% to 7.3% and the terminal growth rate from 2.5% to 3.9%. When we neutralize the margin compression assumption in 2007, our target price rises to \$54.17, suggesting that the stock is 8.2% undervalued (Exhibit 4).

In terms of EV/EBITDA, P/E and Market/Book, the company trades at discounted multiples compared to its peers. We believe the divergence is mainly pricing in the mistrust in management and lack of benefits of scale since TFX is smaller than its peers. Teleflex trades in line with its competitors on a PEG basis.

Uncertainty about timing and success of appointment of new CFO creates unnecessary risk

Risks:

Together with price pressure and commoditization, we see the ongoing search for a new CFO as a material risk element moving into 2004. CEO Black gave no indication in Teleflex's Q4 2003 earnings call that the search is coming to an end, which did not please impatient analysts and investors.

Furthermore we see the change in heart and strategy of the management (from innovative/aggressive to streamlining/passive) as badly timed and hence makes it unnecessarily risky to hold the stock. Teleflex is said to be well behind its peers in terms of acquisition integration (especially facility rationalization). Lacking this ability, we believe management will have a tough time centralizing operations in 2004.

In early March, Teleflex announced that a jury had rendered a verdict against one of its healthcare subsidiaries in a trademark infringement case. The trademark relates to a catheter product from a company Teleflex bought in 2000. A judgment on the jury's verdict has not yet occurred pending further consideration by the court. The charge is believed to result in a \$.50 per share charge at worst.

Some risk could be seen as offset by the diversified nature of the Teleflex Corporation; hence Teleflex biggest operational risk would be the US economy in general. We also acknowledge that the well balanced portfolio will sustain less earning volatility.

Industry parameters (capital goods)

- Low asset turnover relative to the market
- High expected growth relative to the market
- Average systematic risk
- Sentiment for 2004 is positive for the conglomerates relative to the market
- ISM index up for 6 consecutive months shows momentum in the sector relative to the market
- The weakening dollar benefits conglomerates with European businesses

We are bullish on the capital goods sector as an aggregate industry, especially are we bullish on the defense segment of the Aerospace and Defense sub sector. However, the sector will be reliant on upside earnings revisions to generate attractive valuations.

Business model

Focus on niche markets

Teleflex is a leader in its niche industrial (control systems for autos and pleasure crafts), aerospace (cargo handling systems and precision components), and medical (disposable and reusable laparoscopic devices) end markets. Its bread and butter has been innovation and constant drive to find small profitable niche markets in which it could implement core technological knowledge and patents. Teleflex has historically used acquisitions frequently to gain access to new technology and to sustain a double digit revenue growth. Teleflex is known for focus on design and engineering excellence. Simply put, Teleflex has been successful in the past by providing customers with innovative, high performance products and premier customer service.

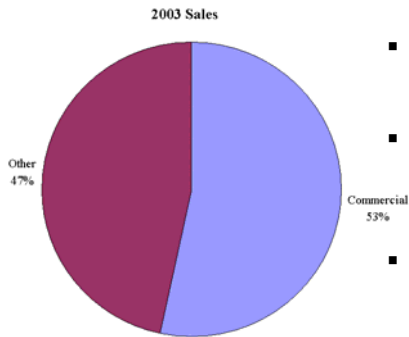
Teleflex described:

Commercial Products

Commercial products accounted for 53.4% of Teleflex's 2003 sales and 51.2% of operating profit. The segment addresses three major markets: automotive (56%), marine (26%) and industrial (18%).

Teleflex Automotive

Teleflex Automotive represents roughly \$670 million of 2003 sales (30% of total Teleflex sales) and is the leading supplier of automotive cables in the US. These products began as an alternate application of cables used in Teleflex's original aircraft actuator products. Teleflex makes the cables that connect the pedals and the shifters to the transmission and also makes pedal and shifter systems. Core technologies and products in this sector include:

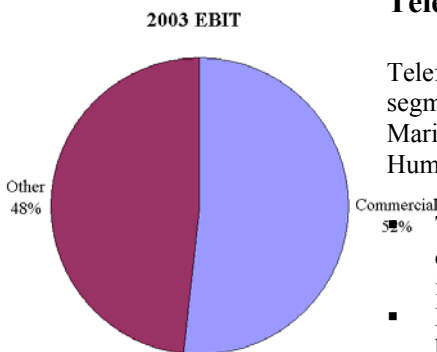


- **Electronic throttle control (ETC)** – Auto technology is moving from mechanical cable linkage toward drive-by-wire. Teleflex has developed a drive-by-wire product with contracts signed up for 2004 (100% penetration by 2010)
- **Adjustable pedal** – Patented pedal system is like tilt steering for the feet; adjustable pedals allows the driver to choose the safest, most comfortable seat position from the searing column without getting too far from the pedals. Current platforms include Ford, DaimlerChrysler and Nissan.
- **Alternative Fuel Vehicles** – Through the acquisition of GFI Control Systems in 2000, Teleflex converts gas engine vehicles to use natural gas or propane and supplies components for hydrogen-powered fuel cell vehicles.

In addition to the transmission applications, Teleflex cables are used in window systems, seat motion drives and other auto applications requiring mechanical links in small places.

Teleflex Marine

Teleflex Marine represents roughly \$320 million of 2003 sales (14% of total Teleflex sales). The segment makes a number of systems and components for boats as well as industrial applications. Marine products include hydraulic and mechanical steering systems, analog and digital instruments, Hummingbird fish finders and GPS units. Some key products include:



- **Teleflex Intelligent System (TIS)** – An electronic backbone for powerboats, TIS is a flexible digital bus. TIS funnel all digital information to one network, which can be captured or tapped into at any point and eases repair, upgrades and additions.
- **Modern Burner Unit** – Diesel burning remote field ovens, less likely to explode than propane or kerosene fueled ovens and simplify remote supply lines

Teleflex Industrial

Teleflex Industrial represents roughly \$215 million of 2003 sales (9% of total Teleflex sales). The segment makes a wide variety of light duty cable controls flexible and heat-resistant Teflon coated hose for fluid transfer. The fluid systems markets include chemical, petroleum, food processing, aerospace and automotive. Teleflex also make control and electrical instrumentation products for construction and agricultural equipment, leisure vehicles and other on and off road vehicles.

- **FluoroComp Hose** – Hose product with increased heat resistance and decreased permeability used for gas transfers

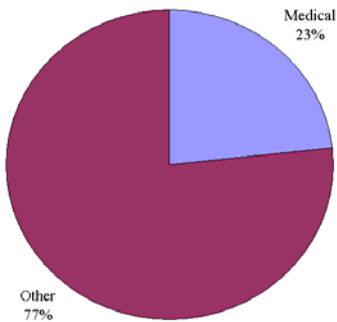
Outlook

We believe this segment have limited potential mainly due to difficulty of penetration of international markets and general price pressure.

Medical Products

Medical products comprised 23.4% of 2003 sales and 43.5% of operating profits. The segment includes the Hospital Supply and Surgical Devices units. Teleflex entered Medical via acquisitions in 1980s, building on its Teflon capabilities. The segment went through an internal restructuring in 1995, moving manufacturing, repositioning the sales force and rationalizing the product mix. Major end markets of the segment are: surgery (55%), urology (25%) and anesthesia (20%).

2003 Sales



Hospital Supply

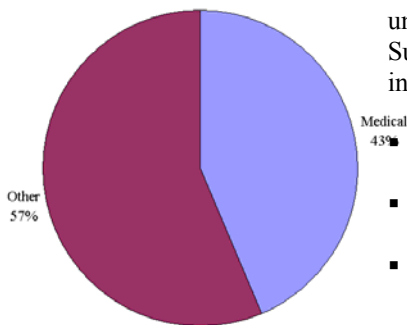
Hospital supply had approximately \$240 million in 2003 sales (45% of Medical products revenues). Teleflex manufactures disposable and reusable medical devices for urology, gastroenterology, anesthesiology and repertory care markets worldwide under the Rusch brand name. Products are made of latex, PVC, rubber and silicone and ranges form various kinds of catheters, endotracheal tubes, laryngoscopes, face masks, tracheotomy tubes and stents. Almost 80% of revenues come from outside the US.

Supply has largely completed a transition to market driven (rather than manufacturing driven) business model. Selected markets have initiated direct distribution (Italy and Germany). Also, the unit has increased its production in lower cost environments (JV in Uruguay 2001).

Surgical Devices

Surgical devices represented roughly \$295 million of 2003 sales (55% of total medical products sales). Teleflex markets products under the Pilling and Weck brand names. The devices sold in the unit are generally low-tech, non-powered, semi-commoditized instrument such as surgical clips. Surgical devices operates in three sub-groups: surgical instruments, ligation and closure and surgical instrument services.

2003 EBIT



- **Surgical Instruments (Pilling)** designs and manufactures proprietary hand-held stainless steel surgical instruments
- **Ligation and closure (Weck)** designs and manufactures surgical clips, skin staplers and other related products
- **Surgical instrument services** provides complete on-site outsourcing of instruments for hospitals (sterilization and maintenance)

Outlook

We expect Medical operating profit margins to decline as the segment will see less carryover benefit from past acquisitions and we don't anticipate material acquisitions in 2004.

Aerospace Products

Aerospace products accounted for about 23.2% of estimated 2003 sales and 4.7% of 2003 operating profits. The segment focuses on two areas: turbo-machinery (Sermatech) and cargo handling (Telair).

Sermatech

Unit accounted for roughly \$330 million of 2003 sales (65% of Aerospace products sales, 15% of total revenues). Sermatech provides blade coating and repair services and manufactures airfoils and turbines. Teleflex came into the sector via coatings – the coatings needed to protect turbine blade from tear and wear.

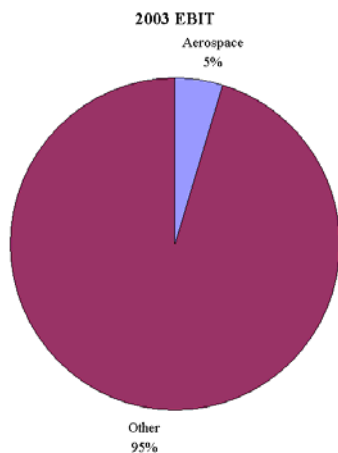
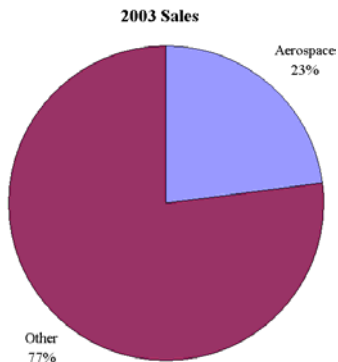
- **Industrial Gas Turbine market** constitutes about 30% of the industrial segment
- **Airfoil Technologies International** represents about 100 million of 2003 sales (20% of Aerospace sales). ATI is a JV with GE to repair commercial aircraft engine fan blades and compressor airfoils

Telair International

Generated about 175 million of 2003 sales (35% of Aerospace sales). Telair makes cargo handling components and systems for commercial aircrafts as well as electro-mechanical actuators and backup systems.

Outlook

Disappointing results in the aerospace segment in 2003 due to weak performance in the Industrial Gas Turbine Services segment, Cargo segment as well as increasing pricing pressure is seen as a red flag for future profitability in the segment. The company has also been experiencing weak OED demand so far in 2004.



Comments to the DCF model (Exhibit 1)

Teleflex has very limited coverage of analysts, hence it is hard to get a good grasp on the consensus DCF forecast. Backed by the argumentation of the report, we assume strong price pressure on the aggregate EBIT margin.

Revenue growth %

Driving the model, estimated by management to be 10% in 2004, then scaled down

COGS growth %

Decreasing at a slightly lower tempo than revenue implying price pressure

SG&A growth %

12% estimated for 2004 by management, then scaled down to grow in line with revenue

LT Borrowings /Assets

Slightly declining trend modeling that Teleflex will lower its debt as a % of total assets, in line with management comments

Beta

Calculated by averaging two sources, then averaging that number with 1

Terminal growth rate

Past 5 year growth rate taken from Yahoo finance

Tax rate

Effective/average tax rate of 30%, adjusting for a one time favorable tax settlement in 2002 of 3.1 million

Comments to Comps (Exhibit 2)

Low ROE

Low 2003 ROE of 10.3% compared to industry simple average of 15.0% and 19.5% aggregate average (including GE).

Healthy leverage

Total interest bearing debt to market cap is 23.7% compared to industry average of 44.7%

Multiples contradict DCF

Teleflex seems to be undervalued on all valuation multiples besides the PEG; where it is in line with the industry (1.8).

ROE Decomposition (Exhibit 3)

We observe a declining historical trend in ROE. Especially is the steep drop in 2003 of great concern. The unfavorable movement in the ROE is being explained by three factors:

Falling profit margins

As seen in the decomposition table, the profit margins have been falling since 2000 and especially in 2003. As we have noted earlier in the report, we believe this negative trend will continue.

Lower asset turnovers

Asset turnover has also been falling materially since 2000. This implies that Teleflex is becoming less efficient in producing turnover per unit of assets. We believe this has affected the management's recent decision to centralize operations but we are unsure that they will be successful in reversing this trend.

Decreasing financial leverage

Financial leverage has dropped some from 2001 but we do not see this decline as a big issue for the company.

Exhibit 1**Teleflex Inc.**

Assumptions/Drivers

	2003	2004E	2005E	2006E	2007E
Revenue growth	9.9%	10.0%	8.0%	6.0%	5.0%
COGS growth	10.7%	11.0%	9.0%	7.0%	6.0%
SG&A growth	16.1%	12.0%	9.0%	6.0%	5.0%
Interest expense / Interest Bearing debt	9.7%	9.0%	9.0%	9.0%	9.0%
Depreciation / Net PP&E	16.0%	16.0%	16.0%	16.0%	16.0%
Days sales in cash	9.05	9.00	9.00	9.00	9.00
AR Collection	76.5	72.0	72.0	72.0	72.0
Inventory / Assets	21.0%	21.0%	21.0%	21.0%	21.0%
Prepaid expenses / Assets	1.3%	1.3%	1.3%	1.3%	1.3%
Intangible and other assets / Assets	5.3%	6.0%	6.0%	6.0%	6.0%
Investments and affiliates / Assets	1.7%	2.0%	2.0%	2.0%	2.0%
Notes Payable / Assets	8.7%	8.0%	8.0%	8.0%	8.0%
Current LT / LT borrowings	18.7%	15.0%	15.0%	15.0%	15.0%
AP / Assets	8.1%	8.0%	8.0%	8.0%	8.0%
Accrued expenses / Assets	8.1%	8.0%	8.0%	8.0%	8.0%
Income taxes payable / Assets	2.0%	2.1%	2.1%	2.1%	2.1%
LT Borrowings / Assets	10.9%	10.6%	10.3%	10.0%	9.7%

Teleflex Inc.

Earnings Statement

Summary

(\$ in millions)

	1998	1999	2000	2001	2002	2003	2004E	2005E	2006E	2007E
Revenues	1,438	1,601	1,764	1,905	2,076	2,282	2,511	2,712	2,874	3,018
COGS	1,030	1,156	1,274	1,370	1,524	1,686	1,872	2,040	2,183	2,314
Gross Profit	408	445	490	535	552	596	639	671	691	704
<i>Growth %</i>	<i>na</i>	9.1%	10.1%	9.2%	3.2%	7.9%	7.2%	5.1%	3.0%	1.8%
<i>Margin %</i>	28.4%	27.8%	27.8%	28.1%	26.6%	26.1%	25.5%	24.8%	24.1%	23.3%
SG&A	206	217	234	255	270	313	351	383	405	426
EBITDA	202	228	256	281	283	283	288	289	286	278
<i>Growth %</i>	<i>na</i>	12.9%	12.5%	9.4%	0.7%	0.1%	1.8%	0.3%	-1.1%	-2.6%
<i>Margin %</i>	14.0%	14.2%	14.5%	14.7%	13.6%	12.4%	11.5%	10.7%	9.9%	9.2%
D&A	60	67	77	92	95	107	117	127	134	141
EBIT	142	160	179	188	187	176	171	162	151	137
<i>Growth %</i>	<i>na</i>	13.2%	11.5%	5.1%	-0.4%	-6.0%	-3.1%	-5.0%	-6.6%	-9.4%
<i>Margin %</i>	9.9%	10.0%	10.1%	9.9%	9.0%	7.7%	6.8%	6.0%	5.3%	4.5%
Interest expense, net	17	18	21	28	25	26	26	27	28	28
Operating EBT	125	143	158	160	162	150	145	135	124	109
Non operating gains	0	0	0	0	10	3	0	0	0	0
EBT	125	143	158	160	172	153	145	135	124	109
Taxes on income	42	48	49	47	47	42	44	41	37	33
Net Income	83	95	109	112	125	111	102	95	87	76
Number of shares outstanding	37	38	38	39	39	40	40	40	40	40
EPS	2.21	2.52	2.86	2.90	3.19	2.79	2.57	2.39	2.19	1.93

Teleflex Inc.

WACCAT Calculation

Risk free rate	2.5%
Market premium	6.0%
Beta (Yahoo)	0.63
Beta (Thompson)	0.97
Average Beta	0.80
Beta	0.90
Tax rate	30.0%
Kd	6.0%
After tax Kd	4.2%
Ke	7.9%
Wd	0.20
We	0.80
WACCAT	7.1%
Terminal growth rate	2.7%

Teleflex Inc.

Free Cash Flow Summary

(\$ in millions)

	2003	2004E	2005E	2006E	2007E	Terminal value
Net Income	111	102	95	87	76	
Net Interest expense	26	26	27	28	28	
D&A	107	117	127	134	141	
Increases in working capital	42	33	31	25	23	
Capital expenditures	94	104	112	119	125	
FCF	107	108	106	105	98	2,278
PV of FCF's		101	92	85	75	1729
EV	2081					
Net debt	216					
Value of equity	1865					
Number of shares outstanding	40					
Intrinsic value per share	47.10					
Current price (12/03/04)	49.07					
Implied premium	4.2%					

Exhibit 2

Company Name Ticker (Dollar in millions)	Teleflex TEEX	Johnson & Johnson JNJ	Raytheon Co RTN	GE GE	High	Low	Simple Mean w/ GE	Simple Mean w/ GE	Aggregate Average w/ GE	Aggregate Average w/ GE
LFY Income Statement										
Latest Fiscal Year End Date	12/31/2003	12/31/2003	12/31/2003	12/31/2003						
Revenue	\$2,282	\$41,862	\$18,109	\$134,787	\$134,787	\$2,282	\$49,260	\$20,751	\$49,260	\$20,751
COGS	\$1,686	\$12,176	\$5,000	\$51,206	\$51,206	\$1,686	\$20,017	\$3,621	\$20,017	\$3,621
Gross Profit	\$596	\$29,686	\$3,109	\$83,581	\$83,581	\$596	\$29,243	\$11,130	\$29,243	\$11,130
EBIT	\$176	\$10,338	\$1,316	\$30,336	\$30,336	\$176	\$10,542	\$3,943	\$10,542	\$3,943
EBITDA	\$283	\$12,207	\$1,709	\$37,292	\$37,292	\$283	\$12,873	\$4,733	\$12,873	\$4,733
LTM Net Income	\$111	\$7,197	\$365	\$15,002	\$15,002	\$111	\$5,663	\$2,358	\$5,663	\$2,358
2000FY Revenue	\$1,764	\$29,172	\$16,895	\$129,853	\$129,853	\$1,764	\$44,421	\$15,944	\$44,421	\$15,944
LTM EPS Date	12/31/2003	12/31/2003	12/31/2003	12/31/2003						
LTM EPS*	\$2.79	2.65	1.29	1.56	2.79	1.29	2.07	2.24	2.07	2.24
CFY EPS Estimate	\$2.64	2.95	1.31	1.57	2.95	1.31	2.12	2.30	2.12	2.30
NFY EPS Estimate	\$3.04	3.25	1.74	1.78	3.25	1.74	2.45	2.68	2.45	2.68
2000FY EPS*	\$2.86	3.4	0.41	1.27	3.40	0.41	1.99	2.22	1.99	2.22
*Excl. extra. items, writeoffs, & one time charges										
Balance Sheet Data - Most Recent Quarter										
Cash and Cash Equivalents	\$57	\$5,377	\$661	\$12,664	\$12,664	\$57	\$4,630	\$2,032	\$4,630	\$2,032
Total Debt (incl. ST Debt and leases)	\$456	\$4,094	\$5,532	\$304,921	\$304,921	\$456	\$79,001	\$3,634	\$79,001	\$3,634
Total Common Equity (Book Value)	\$1,062	\$26,869	\$3,162	\$79,180	\$79,180	\$1,062	\$29,068	\$12,364	\$29,068	\$12,364
Total Assets	\$2,111	\$48,263	\$23,408	\$647,483	\$647,483	\$2,111	\$180,316	\$24,534	\$180,316	\$24,534
LFY Receivables	\$478	\$6,574	\$485	\$10,732	\$10,732	\$478	\$4,567	\$2,512	\$4,567	\$2,512
LFY Inventory	\$443	\$3,588	\$1,998	\$8,752	\$8,752	\$443	\$3,635	\$2,010	\$3,635	\$2,010
Current Assets	\$1,006	\$22,895	\$6,585	\$415,439	\$415,439	\$1,006	\$111,521	\$10,195	\$111,521	\$10,195
Current Liabilities	\$613	\$13,448	\$3,849	\$176,530	\$176,530	\$613	\$48,610	\$5,970	\$48,610	\$5,970
Stock Data	Stock Price As Of:	26/3/2004	26/3/2004	26/3/2004	26/3/2004					
Stock Price	\$43.10	\$50.13	\$30.78	\$30.10	\$50	\$30	\$40.03	\$43.34	\$40.03	\$43.34
NOSH	\$39.7	\$2,368.4	\$416.2	\$10,080	\$10,080	\$40	\$3,376	\$1,141	\$3,376	\$1,141
Market Cap	\$1,348.8	\$114,304.3	\$12,811.5	\$303,408.0	\$303,408.0	\$1,349	\$116,743	\$54,522	\$116,743	\$54,522
EV	\$2,348.2	\$147,521.3	\$18,662.6	\$595,665.0	\$595,665.0	\$2,348	\$191,054	\$56,184	\$191,054	\$56,184
Financial Ratios										
LFY Gross Margin	26.1%	70.9%	17.2%	62.0%	70.3%	17.2%	44.1%	38.1%	59.4%	53.6%
LFY EBITDA Margin	12.4%	29.2%	3.4%	27.7%	29.2%	3.4%	19.7%	17.0%	26.1%	22.8%
LTM ROE	10.4%	26.8%	4.0%	18.9%	26.8%	4.0%	15.0%	13.7%	19.5%	20.7%
LTM ROA	5.3%	14.3%	1.6%	2.3%	14.3%	1.6%	6.0%	7.2%	3.1%	10.4%
LFY Receivable Turnover	4.8	11.7	31.3	12.6	31.3	4.8	16.6	17.9	10.8	8.3
LFY Inventory Turnover	3.8	3.4	7.5	5.9	7.5	3.4	5.1	4.3	5.4	4.8
Current Ratio	1.64	1.71	1.71	2.35	2.35	1.64	1.85	1.69	2.29	1.71
Growth/Returns										
Historical 3 Year Revenue Growth Rate	9.0%	12.8%	2.3%	1.3%	12.8%	1.3%	6.3%	8.0%	6.3%	6.3%
Historical 3 Year EPS Growth Rate	2.6%	4.6%	47.3%	7.3%	47.3%	2.6%	15.5%	18.2%	15.5%	15.5%
Projected ROE (NFY)	10.5%	28.5%	7.6%	20.1%	28.5%	7.6%	16.7%	15.5%	nm	nm
CFY - NFY EPS Growth Rate	15.2%	10.2%	32.8%	13.4%	32.8%	10.2%	17.9%	19.4%	17.9%	17.9%
Proj. Growth in EPS 5 Years	10.5%	13.0%	12.0%	3.20%	13.0%	3.2%	11.2%	11.8%	11.2%	11.2%
Dividend Yield	1.6%	1.8%	2.6%	2.60%	2.6%	1.6%	2.2%	2.0%	2.2%	2.0%
VL Timeliness	5	3	4	4	5	3	4	4	4	4
Risk										
Beta	0.571	0.259	0.369	1.096	1.096	0.259	0.574	0.400	0.574	0.574
VL Safety	2	1	3	2	3	1	2	2	2	2
LT Debt / Market Capitalization (MV of Eq)	23.4%	2.8%	51.0%	100.5%	100.5%	2.8%	44.4%	25.7%	67.7%	6.8%
LT Debt / Common Equity (BV of Equity)	42.3%	15.2%	71.3%	385.1%	385.1%	15.2%	128.6%	43.2%	271.8%	29.3%
Valuation										
MV of Equity / Book Value	1.8	5.5	1.4	3.8	5.5	1.4	3.2	2.9	4.0	4.4
LTM P/E	17.6	18.9	23.9	19.3	23.9	17.6	19.3	20.1	19.3	19.3
CFY P/E	16.6	17.0	23.5	19.2	23.5	17.0	19.6	19.7	18.3	18.8
NFY P/E	16.2	15.4	17.7	16.9	17.7	15.4	16.5	16.4	16.3	16.2
Relative P/E (CFY)	1.0	0.9	1.2	1.0	1.2	0.9	1.0	0.6	1.0	1.0
CFY P/E to CFY-NFY EPS Growth Rate	1.2	1.7	0.7	1.4	1.7	0.7	1.3	1.2	1.1	1.0
CFY P/E to Proj. Growth in EPS 5 Years	1.8	1.3	2.0	2.1	2.1	1.3	1.8	1.7	1.8	1.7
EV/EBITDA	8.3	12.1	10.9	16.0	16.0	8.3	11.8	10.4	14.8	11.9

Exhibit 3

OPERATING RATIOS: (ADJUSTED)	(NET OF) TAX-BURDEN RATIO	(NET OF) INTEREST BURDEN	OPERATING PROFIT MARGIN	OPERATING ASSET TURNOVER	ROA	EFFECTIVE FINANCIAL LEVERAGE	INCOME TAX RATE	EARNINGS RETENT. ROE	EARNINGS RETENT. RATE
1998	0.66	0.88	9.9%	1.18	11.7%	2.28	33.8%	15.4%	79.1%
1999	0.67	0.89	10.0%	1.27	12.7%	2.10	33.3%	15.8%	79.4%
2000	0.69	0.88	10.1%	1.26	12.8%	2.03	31.0%	15.8%	79.5%
2001	0.70	0.85	9.9%	1.17	11.5%	2.10	29.7%	14.4%	76.9%
2002	0.73	0.87	9.5%	1.14	10.9%	1.99	27.4%	13.7%	77.4%
2003	0.72	0.85	7.8%	1.08	8.4%	1.99	28.0%	10.3%	70.7%
AVERAGE RATIO:	0.69	0.87	9.5%	1.18	11.3%	2.08	30.5%	14.3%	77.2%

Exhibit 4

Teleflex Inc.
Sensitivities Summary

		Terminal growth rate						
		2.1%	2.3%	2.5%	2.7%	2.9%	3.1%	3.3%
W	6.5%	48.4	50.62	53.07	55.78	58.79	62.15	65.93
	6.7%	46.09	48.11	50.32	52.76	55.45	58.44	61.78
C	6.9%	43.97	45.81	47.82	50.02	52.45	55.12	58.1
	7.1%	42.02	43.71	45.54	47.54	49.73	52.14	54.8
A	7.3%	40.22	41.77	43.45	45.27	47.26	49.43	51.83
	7.5%	38.56	39.98	41.52	43.19	45.00	46.98	49.14
T	7.7%	37.01	38.33	39.74	41.27	42.93	44.73	46.7

Intrinsic value assuming no margin compression into perpetuity (i.e. COGS growth 2007 is 5%)

Intrinsic value per share	54.17
Implied premium	-8.2%