TELEFLEX INC
Form 10-K
February 25, 2010

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K

(Mark One)

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

For the fiscal year ended December 31, 2009 or

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

For the transition period from to .

Commission file number 1-5353

TELEFLEX INCORPORATED
(Exact name of registrant as specified in its charter)

Delaware	**23-1147939**
(State or other jurisdiction of incorporation or organization)	**(I.R.S. employer identification no.)**
155 South Limerick Road, Limerick, Pennsylvania	**19468**
(Address of principal executive offices)	**(Zip Code)**

Registrant s telephone number, including area code: (610) 948-5100

Securities registered pursuant to Section 12(b) of the Act:

Title of Each Class	**Name of Each Exchange On Which Registered**
Common Stock, par value $1 per share	New York Stock Exchange
Preference Stock Purchase Rights	New York Stock Exchange

Securities registered pursuant to Section 12(g) of the Act:
NONE

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act.
Yes þ No o

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes o No þ

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes þ No o

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of the registrant s knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of large accelerated filer, accelerated filler and smaller reporting company in Rule 12b-2 of the Exchange Act. (check one):.

Large accelerated filer þ	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Act). Yes o No þ

The aggregate market value of the Common Stock of the registrant held by non-affiliates of the registrant (39,577,181 shares) on June 26, 2009 (the last business day of the registrant s most recently completed fiscal second quarter) was $1,775,036,568 [(1)]. The aggregate market value was computed by reference to the closing price of the Common Stock on such date.

The registrant had 39,761,409 Common Shares outstanding as of February 12, 2010.

Document Incorporated By Reference: certain provisions of the registrant s definitive proxy statement in connection with its 2010 Annual Meeting of Shareholders, to be filed within 120 days of the close of the registrant s fiscal year are incorporated by reference in Part III hereof.

(1) For the purposes of this definition only, the registrant has defined affiliate as including executive officers and directors of the registrant and owners of more than five percent of the common stock of the registrant, without conceding that all such persons are affiliates for purposes of the federal securities laws.

TELEFLEX INCORPORATED
ANNUAL REPORT ON FORM 10-K
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2009

TABLE OF CONTENTS

CERTIFICATION OF CHIEF EXECUTIVE OFFICER, PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002
CERTIFICATION OF CHIEF FINANCIAL OFFICER, PURSUANT TO SECTION 906 OF THE SARBANES-OXLEY ACT OF 2002

Information Concerning Forward-Looking Statements

All statements made in this Annual Report on Form 10-K, other than statements of historical fact, are forward-looking statements. The words anticipate, believe, estimate, expect, intend, may, plan, will, would, should, continue, project, forecast, confident, prospects, and similar expressions typically are used to identify forward-lo statements. Forward-looking statements are based on the then-current expectations, beliefs, assumptions, estimates and forecasts about our business and the industry and markets in which we operate. These statements are not guarantees of future performance and are subject to risks, uncertainties and assumptions which are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or implied by these forward-looking statements due to a number of factors, including our ability to resolve, to the satisfaction of the U.S. Food and Drug Administration (FDA), the issues identified in the corporate warning letter issued to Arrow International; changes in business relationships with and purchases by or from major customers or suppliers, including delays or cancellations in shipments; demand for and market acceptance of new and existing products; our ability to integrate acquired businesses into our operations, realize planned synergies and operate such businesses profitably in accordance with expectations; our ability to effectively execute our restructuring programs; competitive market conditions and resulting effects on revenues and pricing; increases in raw material costs that cannot be recovered in product pricing; and global economic factors, including currency exchange rates and interest rates; difficulties entering new markets; and general economic conditions. For a further discussion of the risks that our business is subject to, see Item 1A. Risk Factors of this Annual Report on Form 10-K. We expressly disclaim any intent or obligation to update these forward-looking statements, except as otherwise specifically stated by us.

PART I

ITEM 1. *BUSINESS*

Teleflex Incorporated is referred to herein as we, us, our, Teleflex and the Company.

THE COMPANY

Teleflex is principally a global provider of medical technology products that enable healthcare providers to improve patient outcomes, reduce infections and enhance patient and provider safety. We primarily develop, manufacture and supply single-use medical devices used by hospitals and healthcare providers for common diagnostic and therapeutic procedures in critical care and surgical applications. We serve hospitals and healthcare providers in more than 140 countries.

We provide a broad-based platform of medical products, which we categorize into four groups: Critical Care, Surgical Care, Cardiac Care and OEM and Development Services. Critical care, representing our largest product group, includes medical devices used in vascular access, anesthesia, urology and respiratory care applications; surgical care includes surgical instruments and devices; and cardiac care includes cardiac assist devices and equipment. We also design and manufacture instruments and devices for other medical device manufacturers. Our primary products and product brands include the following:

Arrow vascular access products, including, central venous access catheters, or CVCs, featuring the ARROWg+ard, or ARROWg+ard Blue Plus, antiseptic surface treatments to reduce the risk of catheter related infection, peripherally inserted central catheters, or PICCs, catheters for use in treatment of chronic hemodialysis and catheters and accessories used in critical care monitoring and treatment;

Sheridan and Rüsch endotracheal tubes, laryngeal masks, airways and face masks to deliver anesthetic agents and oxygen, and Arrow regional anesthesia products that include catheters used in epidural, spinal and peripheral nerve block procedures;

Hudson RCI and Gibeck brand humidifiers, circuits, nebulizers, filters, masks, tubing and cannulas used in aerosol and medication delivery, oxygen therapy and ventilation management;

Rusch urology catheters (including Foley, intermittent, external and suprapubic), urine collectors, catheterization accessories and products for operative endurology;

Deknatel, Pleur-evac, Pilling, Taut and Weck ligation products, clips, appliers, and hand-held instruments for general and specialty surgical procedures, access ports used in minimally invasive surgical procedures including robotic surgery, and fluid management products used for chest drainage;

Arrow cardiac assist balloon pumps, catheters and accessories used in the treatment of severe cardiac conditions; and

Beere Medical, KMedic, Specialized Medical Devices, Deknatel and TFXOEM customized medical instruments, implants and components.

Teleflex is focused on achieving consistent, sustainable and profitable growth through development of new products, expansion of market share, introduction of existing products into new geographies and through selected acquisitions which enhance or expedite our development initiatives and our ability to grow market share. Furthermore, we believe our research and development capabilities and our commitment to engineering excellence and lean, low-cost manufacturing allow us to consistently bring cost effective, innovative products to market that improve the safety, efficacy, and quality of healthcare.

In addition to our medical business, we also have businesses that serve niche segments of the aerospace and commercial markets with specialty engineered products. Our aerospace products include cargo-handling systems, containers, and pallets for commercial air cargo, and military aircraft actuators. Our commercial

products include driver controls, engine assemblies and drive parts for the marine industry and rigging products and services for commercial industries.

HISTORY AND RECENT DEVELOPMENTS

Teleflex was founded in 1943 as a manufacturer of precision mechanical push/pull controls for military aircraft. From this original single market, single product orientation, we have grown through an active program of development of new products, introduction of products into new geographic or end-markets and through acquisitions of companies with related market, technology or industry expertise. Throughout our history, we have continually focused on providing innovative technology-driven, specialty-engineered products that help our customers meet their business requirements.

Over the past several years, we have engaged in an extensive acquisition and divestiture program to improve margins, reduce cyclicality and focus our resources on the development of our healthcare business. We have significantly changed the composition of our portfolio of businesses, expanding our presence in the medical device industry, while divesting many of our businesses serving the aerospace and industrial markets. The most significant of these transactions occurred in 2007 with our acquisition of Arrow International, a leading global supplier of catheter-based medical technology products used for vascular access and cardiac care, and the divestiture of our automotive and industrial businesses. Our acquisition of Arrow significantly expanded our disposable medical product offerings for critical care, enhanced our global footprint and added to our research and development capabilities.

We continually evaluate the composition of the portfolio of our products and businesses to ensure alignment with our overall objectives. We strive to maintain a portfolio of products and businesses that provide consistency of performance, improved profitability and sustainable growth.

OUR BUSINESS SEGMENTS

We operate our businesses through three segments, the largest of which is our Medical Segment, which represented 77 percent of our consolidated revenues and 91 percent of our segment operating profit in 2009. In 2009, our Aerospace and Commercial segments represented 10 percent and 13 percent of consolidated revenues, respectively, and 5 percent and 4 percent of segment operating profit, respectively.

Further detail and additional information regarding our segments and geographic areas is presented in Note 17 to our consolidated financial statements included in this Annual Report on Form 10-K.

Medical

Our Medical Segment designs, develops, manufactures and supplies medical devices for critical care and surgical applications. We categorize our medical products into four product groups: Critical Care, Surgical, Cardiac Care, and OEM and Development Services.

Approximately 49 percent of our segment revenues are derived from customers outside the United States. Our Medical Segment operates 30 manufacturing sites, with major manufacturing operations located in Czech Republic, Germany, Malaysia, Mexico and the United States.

The following is an overview of the key product lines within our Medical Segment.

Critical Care

Critical care, which is predominantly comprised of single use products, constitutes the largest product category within our Medical Segment, representing 65 percent of segment revenues in 2009. Our medical products are used in a wide range of critical care procedures for vascular access, respiratory care, anesthesia and airway management, treatment of urologic conditions and other specialty procedures.

We are a leading provider of specialty products for critical care. Our products are generally marketed under the brand names of Arrow, Rüsch, HudsonRCI, Gibeck and Sheridan. The large majority of sales for disposable medical products are made to the hospital/healthcare provider market, with a smaller percentage sold to alternate sites.

Vascular Access Products

Our vascular access products are generally catheter-based products used in a variety of clinical procedures to facilitate multiple critical care therapies including the administration of intravenous medications, other therapies, and the measurement of blood pressure and taking of blood samples through a single puncture site.

Our vascular access catheters and related devices consist principally of central venous access catheters such as the following: the Arrow-Howe s Multi-Lumen Catheter, a catheter equipped with three or four channels, or lumens; double-and single-lumen catheters, which are designed for use in a variety of clinical procedures; the Arrow Pressure Injectable CVC, which gives clinicians who perform contrast-enhanced CT scans the option of using an indwelling pressure injectable Arrow CVC without having to insert another catheter for their scan; and percutaneous sheath introducers, which are used as a means for inserting cardiovascular and other catheterization devices into the vascular system during critical care procedures.

We also provide a range of peripherally inserted central catheters, which are soft, flexible catheters inserted in the upper arm and advanced into the superior vena cava and are accessed for various types of intravenous medications and therapies, and radial artery catheters, which are used for measuring arterial blood pressure and taking blood samples. Our offerings include a pressure injectable peripherally inserted catheter which addresses the therapeutic need for a catheter that can withstand the higher pressures required by the injection of contrast media for CT scans.

Our vascular access products also include specialty catheters and related products used in a range of other procedures and include percutaneous thrombolytic devices, which are designed for clearance of thrombosed hemodialysis grafts in chronic hemodialysis patients; and hemodialysis access catheters, including the Cannon® Catheter, which is used to facilitate dialysis treatment.

Many of our vascular access catheters are treated with the ARROWg+ard, or ARROWg+ard Blue Plus, antiseptic surface treatments to reduce the risk of catheter related infection. ARROWg+ard Blue Plus is a newer, longer lasting formulation of ARROWg+ard and provides antimicrobial treatment of the interior lumens and hubs of each catheter.

As part of our ongoing efforts to meet physicians needs for safety and management of risk of infection in the hospital setting, we sell a Maximal Barrier Precautions central venous access kit, which includes a full body drape, a catheter treated with the ARROWg+ard antimicrobial technology and other accessories. The features of this kit were created to assist healthcare providers in complying with guidelines for reducing catheter-related bloodstream infections that have been established by a variety of health regulatory agencies, such as the Centers for Disease Control and Prevention and the Joint Commission on the Accreditation of Healthcare Organizations.

Related products include custom tubing sets used to connect central venous catheters to blood pressure monitoring devices and drug infusion systems.

During 2009, we introduced the Arrow Pressure Injectable Triple Lumen PICC with a non-tapered catheter body and the Arrow BlueFlexTip, designed to reduce the risk of thrombosis and infection associated with venous access catheters. We introduced a new tray design and additional features for our kits containing our Arrow Pressure Injectable CVC, and a CVC kit designed specifically for the needs of the Japanese market.

Respiratory Care

Our respiratory care products principally consist of devices used in aerosol and medication delivery, oxygen therapy and ventilation management. We offer an extensive range of aerosol therapy products, including the Micromist Nebulizer, the Neb-U-Mask System and the Opti-Neb Pro Compressor. We are also a global provider of oxygen supplies, offering a broad range of products to deliver oxygen therapy safely and comfortably. These include masks, cannulas, tubing and humidifiers. These products are used in a variety of clinical settings including hospitals, long-term care facilities, rehabilitation centers and patients homes to treat respiratory ailments such as chronic lung disease, pneumonia, cystic fibrosis and asthma.

Our ventilation management products promote patient safety and maximize clinician efficiency. These products include ventilator circuits with an extended life to support clinical practice guidelines, high efficiency particulate air (HEPA) filters that provide protection against the transmission of bacteria and viruses, heat and moisture exchangers that reduce circuit manipulation and cross-contamination risk and heated humidifiers that promote patient compliance to non-invasive respiratory strategies, like Non-Invasive Ventilation and High Flow Oxygen Therapy.

Our ConchaTherm Neptune is a heated humidification solution. It is designed to enable the caregiver to customize patient treatment to meet specific clinical goals and to facilitate advanced patient outcomes without sacrificing clinician efficiency.

During 2009, we introduced the Gibeck HumidFlo heat and moisture exchanger, which allows medication to be delivered without breaking the breathing circuit or interrupting ventilation, and OSMO, a product that allows for maintenance free water removal from the expiratory limb of the breathing circuit during mechanical ventilation (breathing systems used to deliver medical gases from a ventilator to a patient s lungs). In 2009, we also signed an agreement to act as an exclusive distributor of the ResMed Non-Invasive Ventilation mask portfolio for specified acute care hospitals in the United States.

Anesthesia and Airway Management

Our anesthesia and airway management products include endotracheal tubes, laryngeal masks, airways and face masks to deliver anesthetic agents and oxygen. To assist in the placement of endotracheal tubes, we provide a comprehensive and unique line of laryngoscope blades and handles, including standard halogen and fiber optic light sources.

Our regional anesthesia or acute pain management products include epidural, spinal and peripheral nerve block catheters. Nerve blocks provide pain relief during and after surgical procedures and help clinicians better manage each patient s pain. We offer the first stimulating continuous nerve block catheter, the Arrow StimuCath, which confirms the positive placement of the catheter next to the nerve. The Flex Tip Plus continuous epidural catheter features a soft, flexible tip that helps reduce the incidence of complications, such as transient paresthesia and inadvertent cannulation of blood vessels or the dura, while improving the clinician s ability to thread the catheter into the epidural space. Our Arrow TheraCath epidural catheter, with high compression strength for direction-ability and enhanced radiopacity, was designed for pain management procedures where increased steer-ability is important. Additional integral components create a range of standard and custom procedural kits.

During 2009, we introduced a new line of laryngeal masks, added a line of disposable metal laryngoscope blades to our line of laryngoscope products and extended our endotracheal tube product line. We also expanded our range of products for acute pain management with the introduction of new spinal kits marketed under the Arrow SureBlock Spinal brand.

Urology

Our line of urology products provides bladder management for patients in the hospital and home care markets. Our product portfolio consists principally of catheters (including Foley, intermittent, external and suprapubic), urine collectors, catheterization accessories and products for operative endurology. We believe we have significant market share in Foley catheters in the EMEA markets (Europe, the Middle East and Africa).

We also design our urine collectors, catheterization accessories and kits with our overall infection prevention strategy in mind. For example, the Rüsch MMG Closed System intermittent catheter is used by spinal cord injury patients to help reduce the likelihood of urinary tract infections.

In the United States, reimbursement regulations were implemented in 2009 that allow many Medicare patients to shift from a re-useable practice, with its inherent risk of infections, to a single use disposable practice. Sales of our intermittent catheters in the U.S. have benefited from this reimbursement shift.

During 2009, we introduced new intermittent catheters with hydrophilic coatings, a new Profile urinary Foley catheter, and a silicone post-operative Foley catheter all marketed under the Rüsch brand.

Surgical Care

Surgical care, which is predominantly comprised of single use products, represented 19 percent of Medical Segment revenues in 2009. Our surgical products include: ligation and closure products, including appliers, clips, and sutures used in a variety of surgical procedures; access ports used in minimally invasive surgical procedures including robotic surgery; and fluid management products used for chest drainage. Our surgical products also include hand-held instruments for general and specialty surgical procedures, In addition, we provide instrument management services. We market surgical products under the Deknatel, Pleur-evac, Pilling, Taut and Weck brand names.

Hem-o-lok is a unique locking polymer ligation clip, and is a significant part of the Weck portfolio. Hem-o-lok clips have special applications in robotic, laparoscopic and cardiovascular surgery and provide surgeons with a unique level of security and performance.

In 2009, we introduced the Taut Universal Seal designed for use with the ADAPt line of bladeless laparoscopic access devices. The new Taut seal provides surgeons the ability to perform laparoscopic procedures with variable diameter instruments, without flimsy diaphragm seals, lubricants that can smudge cameras or the need for reducer caps. Also during 2009, we added a new rotating head stapler and a new long endoscopic clip applier to our extensive line of ligation products.

Cardiac Care

Cardiac care products accounted for approximately 5 percent of Medical Segment revenues in fiscal 2009. Products in this category include diagnostic catheters and capital equipment, such as thermodilution and wedge pressure catheters; specialized angiographic catheters, such as Berman and Reverse Berman catheters; therapeutic delivery catheters, such as temporary pacing catheters; and intra-aortic balloon, or IAB, catheters to capital equipment, such as intra-aortic balloon pump, or IABP, consoles. IABP products are used to augment oxygen delivery to the cardiac muscle and reduce the oxygen demand after cardiac surgery, serious heart attack or interventional procedures.

The IAB and IABP product lines feature the AutoCAT 2 WAVE console and the FiberOptix catheter, which together utilize fiber optic technology for arterial pressure signal acquisition and enable the patented WAVE timing algorithm to support the broadest range of patient heart rhythms, including severely arrhythmic patients.

OEM and Development Services

Customized medical instruments, implants and components sold to original equipment manufacturers, or OEMs, represented 10 percent of Medical Segment revenues in 2009. Under the Beere Medical, KMedic, Specialized Medical Devices, Deknatel and TFXOEM brand names, we provide specialized product development services, which include design engineering, prototyping and testing, manufacturing, assembly and packaging. Our OEM product development and manufacturing facilities are located globally in close proximity to major medical device manufacturers in Germany, Ireland, Mexico and the United States.

The OEM category includes custom extrusion, catheter fabrication, introducer systems, sheath/dilator sets, specialty sutures, resins and performance fibers. We also provide machined and forged instrumentation for general and specialty procedures, Ortho-Grip® instrument handles and fixation devices used primarily for orthopedic procedures.

Medical Segment Revenues

The following table sets forth revenues for 2009, 2008 and 2007 by product category for the Medical Segment.

	2009	2008	2007
	(Dollars in thousands)		
Critical Care	$ 939,390	$ 957,129	$ 578,097
Surgical Care	$ 282,889	$ 295,992	$ 294,501
Cardiac Care	$ 70,770	$ 72,871	$ 18,154
OEM and Development Services	$ 149,829	$ 158,343	$ 138,142
Other	$ 14,230	$ 14,774	$ 12,455

The following table sets forth the percentage of revenues for 2009, 2008 and 2007 by end market for the Medical Segment.

	2009	2008	2007
Hospitals / Healthcare Providers	84%	84%	78%
Medical Device Manufacturers	10%	10%	13%
Home Health	6%	6%	9%

Markets for these products are influenced by a number of factors including demographics, utilization and reimbursement patterns in the worldwide healthcare markets. Our products are sold through direct sales or distribution in over 140 countries. The following table sets forth the percentage of revenues for 2009, 2008 and 2007 derived from the major geographic areas we serve.

	2009	2008	2007
North America	53%	53%	54%
Europe, Middle East and Africa	36%	37%	38%
Asia, Latin America	11%	10%	8%

Aerospace

Our Aerospace Segment businesses provide cargo handling systems and equipment for wide body and narrow body aircraft, cargo containment devices for air cargo and passenger baggage, and actuators for applications in commercial and military aircraft. We are a leading global provider of cargo handling systems and equipment and cargo containers for commercial aircraft. Our brand names, Telair International and Nordisk, are well known and respected on a global basis.

Sales to customers in commercial aviation markets represent 95 percent of revenues in this segment in 2009. Markets for our commercial aviation products are influenced by the level of general economic activity, investment patterns in new aircraft, both passenger and cargo, cargo market trends and flight hours. Major locations for manufacturing and service are located in Germany, Norway, the United States, Sweden, Singapore and China.

Cargo-handling Systems and Equipment

Our cargo-handling systems include on-board automated cargo-loading systems for wide-body aircraft, baggage-handling systems for narrow body aircraft, aftermarket spare parts and repair services. Marketed under the Telair International brand name, our wide-body cargo-handling systems are sold to aircraft original equipment manufacturers or to airlines and air freight carriers as seller and/or buyer furnished equipment for original installations or as retrofits for existing equipment. Cargo-handling systems require a high degree of engineering sophistication.

Telair International is the exclusive supplier of main deck and lower deck cargo systems for the new Boeing 747-8. Telair is also the exclusive provider of lower deck systems for the Airbus A330/A340-200 and 300 aircraft. Airbus is currently producing over 80 of these aircraft per year. Telair has been selected to supply cargo systems for the Airbus A350 XWB airframe when it enters production. Telair is also the exclusive supplier of sliding carpet systems for bulk-loading of narrow body aircraft such as 737 passenger planes. The Telair narrowbody system speeds loading and unloading of baggage and cargo to speed turnaround and increase aircraft utilization. This system is being installed in new 737 s for American Airlines and Continental Airlines, as well as in 737 s and the A320 family aircraft for airlines all over the world. Telair also provides bin loading systems for Canadair (Bombardier) aircraft. In addition to the design and manufacture of cargo systems, we provide customers with aftermarket spare parts and repair services for their Telair systems.

Cargo Containment

We design, manufacture and repair unit loading devices, or ULDs, which include both cargo containers and pallets. In November 2007, we acquired Nordisk Aviation Products, expanding our customer base and global manufacturing and service capacity for cargo equipment. Nordisk globally has the widest ULD product line and specializes in ULDs that either reduce weight or maximize cargo volume by closely matching the interior contour of the aircraft. In 2009 Nordisk introduced the 55 kg Ultralite container, the lightest in its class. Weight reduction is a key factor in extending the range of aircraft, increasing payload and reducing fuel costs. Nordisk provides global support of its products with worldwide spare parts stocking and a network of affiliated repair stations.

Actuation

We manufacture and repair actuation devices and components for our systems and other related aircraft controls, including canopy and door actuators, cargo winches and flight controls. Teleflex actuators are used on the Boeing 747, 767 and 737 aircraft, as well as a number of military and legacy aircraft. In 2009, our actuation business won a significant order to provide actuation devices for the U.S. Air Force A-10 wing replacement program, as well as new content on the 747-8 and 747-Intercontinental.

Aerospace Segment Revenue Information

The following table sets forth the percentage of revenues for 2009, 2008 and 2007 by end market for the Aerospace Segment.

	2009	**2008**	**2007**

Commercial Aviation	95%	98%	93%
Military, Industrial and Other	5%	2%	7%

Commercial

Our Commercial Segment businesses principally design, manufacture and distribute steering and throttle controls and engine and drive assemblies primarily for the recreational marine market, and rigging products and services for oil exploration, dredging, mooring, construction and associated applications. Major manufacturing operations are located in Canada, the United States and Singapore.

Marine Steering and Throttle Controls and Engine Assemblies and Drive Parts

This is the largest single product category in the Commercial Segment, representing 68 percent of the Commercial Segment revenues in 2009. Products in this category include: shift and throttle cables; mechanical, hydraulic and electronic steering systems and throttle controls; engine drive parts; associated parts and products; and outdoor power components.

We are a leading global provider of both mechanical and hydraulic steering systems for recreational powerboats and mechanical, hydraulic, and electronic throttle controls. We also are a leading distributor of engine assemblies and drive parts, which are marketed under the well-known Sierra brand name. Our marine products are sold to OEMs, such as SeaRay, Bayliner, Volvo Penta, Mercury and Yamaha; and to the aftermarket through distributors, dealers and retail outlets and are widely available at marinas and retail outlets such as West Marine and Bass Pro Shops. Our major product brands include Teleflex Marine, TFXtreme, SeaStar, BayStar and Sierra.

We also manufacture and sell heaters that provide cold weather auxiliary heating solutions for commercial vehicles under the Proheat name and burner units that provide a heat source for military field feeding appliances.

Rigging Products and Services

Products in this category represented 32 percent of Commercial Segment revenues in 2009. Products include customized heavy-duty wire rope, wire rope assemblies, high tensile synthetic rope, synthetic assemblies and related rigging hardware. Our markets include oil drilling, marine transportation, marine construction and material handling. With strain testing capabilities, we also help our customers meet new safety legislation and regulations for moorings. In 2007, we enhanced our product offerings in this business through our acquisition of Southern Wire Corporation, a prominent wholesale provider of rigging services. With facilities in Texas, Louisiana, Nevada, Missouri, and Mississippi, our rigging products and services business serves over 1,500 active accounts.

Commercial Segment Revenue Information

The following table sets forth revenues for 2009, 2008 and 2007 by product category for the Commercial Segment.

	2009	2008	2007
	(Dollars in thousands)		
Marine Driver Controls and Engine and Drive Parts	$ 168,125	$ 212,350	$ 253,843
Rigging Products and Services	$ 79,703	$ 101,454	$ 82,077

The following table sets forth the percentage of revenues for 2009, 2008 and 2007 by end market for the Commercial Segment.

	2009	2008	2007
Recreational Marine	47%	54%	63%
Commercial Vehicles	13%	14%	12%
Military	8%		
Rigging Products and Services	32%	32%	25%

GOVERNMENT REGULATION

Government agencies in a number of countries regulate our products and the products sold by our customers utilizing our products. The U.S. Food and Drug Administration and government agencies in other countries regulate the approval, manufacturing, and sale and marketing of many of our healthcare products. The U.S. Federal Aviation Administration and the European Aviation Safety Agency regulate the manufacture and sale of some of our aerospace products and license the operation of our repair stations. For more information, see Item 1A. Risk Factors.

COMPETITION

Medical Segment

The medical devices industry is highly competitive. We compete with many companies, ranging from small start-up enterprises to companies that are larger and more established than us with access to significant financial resources. Furthermore, new product development and technological change characterize the market in which we compete. We must continue to develop and acquire new products and technologies for our Medical Segment businesses to remain competitive. We believe that we compete primarily on the basis of clinical superiority and innovative features that enhance patient benefit, product reliability, performance, customer and sales support, and cost-effectiveness.

Aerospace and Commercial Segments

The businesses within our Aerospace and Commercial segments generally face significant competition from competitors of varying sizes. We believe that our competitive position depends on the technical competence and creative ability of our engineering personnel, the know-how and skill of our manufacturing personnel, and the strength and scope of our sales, service and distribution networks. Competitors of the businesses with our Aerospace Segment include Goodrich Corporation, AAR Corp and Driessen Aerospace Group. Competition for our Commercial business tends to be fragmented.

SALES AND MARKETING

Medical Segment

Our medical products are sold directly to hospitals, healthcare providers, distributors and to original equipment manufacturers of medical devices through our own sales forces and through independent representatives and independent distributor networks.

Aerospace and Commercial Segments

Products sold to the aerospace market are sold through our own field representatives and distributors. The majority of our Commercial Segment products are sold through a direct sales force of field representatives and technical specialists. Marine driver controls and engine and drive parts are sold directly to boat builders and engine manufacturers as well as through distributors, dealers and retail outlets to reach recreational boaters. Rigging products and services includes both a retail business and a wholesale business, both of which sell through a direct sales force.

BACKLOG

Medical Segment

Most of our medical products are sold to hospitals or healthcare providers on orders calling for delivery within a few days or weeks, with longer order times for products sold to medical device manufacturers. Therefore, the backlog of our Medical Segment orders is not indicative of probable revenues in any future 12-month period.

Aerospace Segment

As of December 31, 2009, our backlog of firm orders for our Aerospace Segment was $45 million, of which we expect approximately 95 percent to be filled in 2010. Our backlog for our Aerospace Segment on December 31, 2008 was $68 million.

Commercial Segment

Standard Commercial Segment products are typically shipped between a few days and three months after receipt of order. Therefore, the backlog of such orders is not indicative of probable revenues in any future 12-month period.

PATENTS AND TRADEMARKS

We own a portfolio of patents, patents pending and trademarks. We also license various patents and trademarks. Patents for individual products extend for varying periods according to the date of patent filing or grant and the legal term of patents in the various countries where patent protection is obtained. Trademark rights may potentially extend for longer periods of time and are dependent upon national laws and use of the marks. All capitalized product names throughout this document are trademarks owned by, or licensed to, us or our subsidiaries. Although these have been of value and are expected to continue to be of value in the future, we do not consider any single patent or trademark, except for the Teleflex and Arrow brands, to be essential to the operation of our business.

SUPPLIERS AND MATERIALS

Materials used in the manufacture of our products are purchased from a large number of suppliers in diverse geographic locations. We are not dependent on any single supplier for a substantial amount of the materials used or components supplied for our overall operations. Most of the materials and components we use are available from multiple sources, and where practical, we attempt to identify alternative suppliers. Volatility in commodity markets, particularly steel and plastic resins, can have a significant impact on the cost of producing certain of our products. We cannot be assured of successfully passing these cost increases through to all of our customers, particularly original equipment manufacturers.

RESEARCH AND DEVELOPMENT

We are engaged in both internal and external research and development in our Medical, Aerospace and Commercial segments. Nearly 80% of our research and development costs occur in our Medical business in connection with our efforts to bring innovative new products to the markets we serve, and to enhance the clinical value, ease of use, safety and reliability of our existing product lines. Our research and development efforts support our strategic objectives to provide safe and effective products that reduce infections, improve patient and clinician safety, enhance patient outcomes and enable less invasive procedures.

Research and development in our Aerospace and Commercial businesses is focused on the development of lighter, more durable and more automated systems and products that facilitate cargo loading and containment on commercial aircraft and improve the performance of recreational boats.

We also acquire or license products and technologies that are consistent with our strategic objectives and enhance our ability to provide a full range of product and service options to our customers.

SEASONALITY

Portions of our revenues, particularly in the Commercial and Medical segments, are subject to seasonal fluctuations. Revenues in the marine aftermarket generally increase in the second quarter as boat owners prepare their watercraft for the upcoming season. Incidence of flu and other disease patterns as well as the frequency of elective medical procedures affect revenues related to disposable medical products.

EMPLOYEES

We employed approximately 12,700 full-time and temporary employees at December 31, 2009. Of these employees, approximately 3,900 were employed in the United States and 8,800 in countries outside of the United States. Less than 8% percent of our employees in the United States were covered by union contracts. We have government-mandated collective-bargaining arrangements or union contracts that cover employees in other countries. We believe we have good relationships with our employees.

INVESTOR INFORMATION

We are subject to the reporting requirements of the Securities Exchange Act of 1934. Therefore, we file reports, proxy statements and other information with the Securities and Exchange Commission (SEC). Such reports, proxy statements, and other information may be obtained by visiting the Public Reference Room of the SEC at 100 F Street, NE, Washington, DC 20549 or by calling the SEC at 1-800-SEC-0330. In addition, the SEC maintains an Internet site (http://www.sec.gov) that contains reports, proxy and information statements and other information regarding issuers that file electronically with the SEC.

You can access financial and other information in the Investors section of our website which can be accessed at www.teleflex.com. We make available through our website, free of charge, copies of our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K and amendments to those reports filed or furnished under Section 13(a) or 15(d) of the Securities Exchange Act as soon as reasonably practicable after electronically filing or furnishing such material to the SEC. The information on our website is not part of this annual report on Form 10-K. The reference to our website address is intended to be an inactive textual reference only.

We are a Delaware corporation incorporated in 1943. Our executive offices are located at 155 South Limerick Road, Limerick, PA 19468. Our telephone number is (610) 948-5100.

EXECUTIVE OFFICERS

The names and ages of all of our executive officers as of February 24, 2010 and the positions and offices held by each such officer are as follows:

Name	Age	Positions and Offices with Company
Jeffrey P. Black	50	Chairman, Chief Executive Officer and Director
Richard A. Meier	50	Executive Vice President and Chief Financial Officer
Laurence G. Miller	55	Executive Vice President, General Counsel and Secretary
R. Ernest Waaser	53	President Medical
John Suddarth	50	President Aerospace and Commercial
Vince Northfield	46	Executive Vice President, Global Operations Medical

Mr. Black has been Chairman since May 2006, Chief Executive Officer since May 2002 and President since December 2000. He has been a Director since November 2002. Mr. Black was President of the Teleflex Industrial Group from July 2000 to December 2000 and President of Teleflex Fluid Systems from January 1999 to July 2000.

Mr. Meier joined Teleflex as Executive Vice President and Chief Financial Officer in January 2010. Prior to joining Teleflex, Mr. Meier held various executive-level positions with Advanced Medical Optics, Inc., a global ophthalmic medical device company, from April 2002 to May 2009. He most recently served as President and Chief Operating

Officer of Advanced Medical Optics from November 2007 to May 2009.

Mr. Miller has been Executive Vice President, General Counsel and Secretary since February 2008. From November 2004 to February 2008, Mr. Miller was Senior Vice President, General Counsel and Secretary. From November 2001 until November 2004, he was Senior Vice President and Associate General Counsel for the Food & Support Services division of Aramark Corporation, a diversified management services company providing food, refreshment, facility and other support services for a variety of organizations.

Mr. Waaser has been the President of Teleflex Medical since October 2006. Prior to joining Teleflex, Mr. Waaser served as President and Chief Executive Officer of Hill-Rom, Inc., a manufacturer and provider of products and services for the healthcare industry, including patient room equipment, therapeutic wound and pulmonary care products, biomedical equipment services and communications systems, from 2001 to 2005.

Mr. Suddarth has been the President of our Aerospace and Commercial segments since March 2009. From July 2004 to March 2009, Mr. Suddarth was the President of Teleflex Aerospace. From 2003 to 2004, Mr. Suddarth was the President of Techsonic Industries Inc., a former subsidiary of Teleflex that manufactured underwater sonar and video viewing equipment, which was divested in 2004.

Mr. Northfield has been the Executive Vice President for Global Operations, Teleflex Medical since September 2008. From 2005 to 2008, Mr. Northfield was the President of Teleflex Commercial. From 2004 to 2005, Mr. Northfield was the President of Teleflex Automotive and the Vice President of Strategic Development. Mr. Northfield held the position of Vice President of Strategic Development from 2001 to 2004.

Our officers are elected annually by the Board of Directors. Each officer serves at the pleasure of the Board until their respective successors have been elected.

ITEM 1A. ***RISK FACTORS***

We are subject to risks that could adversely affect our business, financial condition and results of operations. These risks include, but are not limited to the following:

We face significant uncertainty in the industry due to government health care reform.

Political, economic and regulatory influences are subjecting the health care industry to fundamental changes. We anticipate that the current presidential administration, Congress and certain state legislatures will continue to review and assess alternative health care delivery systems and payment methods with an objective of reducing health care costs and expanding access. The uncertainties regarding the final legislation and its implementation could continue to have an adverse effect on our customers purchasing decisions regarding our products and services. Any legislation enacted could represent opportunities and challenges. The potential exists that Medicare and Medicaid reimbursement in a variety of health care settings could be negatively impacted. Additionally, proposals to tax the sale of medical device technologies are being considered in Congress. At this juncture in the legislative process, it is not possible to determine the final magnitude of the tax or its precise structure and implementation. However, should a medical device manufacturers tax be enacted into law, its impact, along with the impact of health care reform to Medicare and Medicaid reimbursement as well as other aspects of the various reform plans to our industry, could have a material adverse effect on our financial condition, results of operations and cash flow. At this time, we cannot predict with certainty which, if any, health care reform proposals will be adopted, when they may be adopted or what impact they may have on us.

Customers in our Medical Segment depend on third party reimbursement and the failure of healthcare programs to provide reimbursement or the reduction in levels of reimbursement for our medical products could adversely affect our Medical Segment.

Demand for some of our medical products is affected by the extent to which government healthcare programs and private health insurers reimburse our customers for patients medical expenses in the countries where we do business. Internationally, medical reimbursement systems vary significantly, with medical centers in some countries having fixed budgets, regardless of the level of patient treatment. Other countries require application for, and approval of, government or third party reimbursement. Without both favorable coverage determinations by, and the financial support of, government and third party insurers, the market for some of our medical products could be adversely affected.

We cannot be sure that third party payors will maintain the current level of reimbursement to our customers for use of our existing products. Adverse coverage determinations or any reduction in the amount of reimbursement could harm our business. In addition, as a result of their purchasing power, third party payors often seek discounts, price reductions or other incentives from medical products suppliers. Our provision of such pricing concessions could negatively impact our revenues and product margins.

Much of our business is subject to extensive government regulation, which may require us to incur significant expenses to ensure compliance; our failure to comply with those regulations could have a material adverse effect on our results of operations and financial condition

Numerous national and local government agencies in a number of countries regulate our products. The U.S. Food and Drug Administration (FDA) and government agencies in other countries regulate the approval, manufacturing and sale and marketing of many of our medical products. The U.S. Federal Aviation Administration and the European Aviation Safety Agency regulate the manufacture and sale of some of our aerospace products and licenses for the operation of our repair stations. Failure to comply with applicable regulations and quality assurance guidelines could lead to

manufacturing shutdowns, product shortages, delays in product manufacturing, product seizures, recalls, operating restrictions, withdrawal of required licenses, prohibitions against exporting of products to, or importing products from countries outside the United States. In addition, civil and criminal penalties, including exclusion under Medicaid or Medicare, could result from regulatory

violations. Any one or more of these events could have a material adverse effect on our business, financial condition and results of operations.

The process of obtaining regulatory approvals to market a medical device, particularly from the FDA and certain foreign governmental authorities, can be costly and time consuming, and approvals might not be granted for future products on a timely basis, if at all. The regulatory approval process may result in delayed realization of product revenues or in substantial additional costs, which could have a material adverse effect on our financial condition and results of operations. Our Medical Segment facilities are subject to periodic inspection by the FDA and other federal, state and foreign governmental authorities, which require manufacturers of medical devices to adhere to certain regulations, including testing, quality control and documentation procedures.

On October 11, 2007, Arrow International received a corporate warning letter from the FDA, which expresses concerns with Arrow s quality systems, including complaint handling, corrective and preventive action, process and design validation and inspection and training procedures. While we are working with the FDA to resolve these issues, our efforts to address the issues raised in the warning letter have required and may continue to require the dedication of significant internal and external resources. There can be no assurance regarding the length of time or cost it will take us to resolve these issues to the satisfaction of the FDA. In addition, if our remedial actions are not satisfactory to the FDA, we may need to devote additional financial and human resources to our efforts, and the FDA may take further regulatory actions against us. These actions may include seizing our product inventory, obtaining a court injunction against further marketing of our products, assessing civil monetary penalties or imposing a consent decree on us, which could in turn have a material adverse effect on our business, financial condition and results of operations.

We are also subject to various federal and state laws pertaining to healthcare pricing and fraud and abuse, including anti-kickback and false claims laws. Violations of these laws may be punishable by criminal or civil sanctions, including substantial fines, imprisonment and exclusion from participation in federal and state healthcare programs.

In addition, we are subject to numerous foreign, federal, state and local environmental protection and health and safety laws governing, among other things:

- the generation, storage, use and transportation of hazardous materials;
- emissions or discharges of substances into the environment; and
- the health and safety of our employees.

These laws and government regulations are complex, change frequently and have tended to become more stringent over time. We cannot provide assurance that our costs of complying with current or future environmental protection and health and safety laws, or our liabilities arising from past or future releases of, or exposures to, hazardous substances will not exceed our estimates or will not adversely affect our financial condition and results of operations. Moreover, we may become subject to additional environmental claims, which may include claims for personal injury or cleanup, based on our past, present or future business activities, which could also adversely affect our financial condition and results of operations.

Our strategic initiatives may not produce the intended growth in revenue and operating income.

We have disclosed operational strategies and initiatives. These strategies include making significant investments to achieve revenue growth and margin improvement targets. If we do not achieve the expected benefits from these investments or otherwise fail to execute on our strategic initiatives, we may not achieve the growth improvement we are targeting and our results of operations may be adversely affected. In addition, as part of our strategy for growth,

we have made and may continue to make acquisitions and divestitures and enter into strategic alliances such as joint ventures and joint development agreements. However, we may not be able to identify suitable acquisition candidates, complete acquisitions or integrate acquisitions successfully, and our

strategic alliances may not prove to be successful. In this regard, acquisitions involve numerous risks, including difficulties in the integration of the operations, technologies, services and products of the acquired companies and the diversion of management s attention from other business concerns. Although our management will endeavor to evaluate the risks inherent in any particular transaction, there can be no assurance that we will properly ascertain all such risks. In addition, prior acquisitions have resulted, and future acquisitions could result, in the incurrence of substantial additional indebtedness and other expenses. Future acquisitions may also result in potentially dilutive issuances of equity securities. There can be no assurance that difficulties encountered with acquisitions will not have a material adverse effect on our business, financial condition and results of operations.

We may not be successful in achieving expected operating efficiencies and sustaining or improving operating expense reductions, and may experience business disruptions, associated with announced restructuring, realignment and cost reduction activities.

Over the past few years we have announced several restructuring, realignment and cost reduction initiatives, including significant realignments of our businesses, employee terminations and product rationalizations. While we have started to realize the efficiencies of these actions, these activities may not produce the full efficiency and cost reduction benefits we expect. Further, such benefits may be realized later than expected, and the ongoing costs of implementing these measures may be greater than anticipated. If these measures are not successful or sustainable, we may undertake additional realignment and cost reduction efforts, which could result in future charges. Moreover, our ability to achieve our other strategic goals and business plans may be adversely affected and we could experience business disruptions with customers and elsewhere if our restructuring and realignment efforts prove ineffective.

Our failure to successfully develop new products could adversely affect our results.

The medical device industry is characterized by rapid product development and technological advances. In addition, while our products for the aerospace and commercial industries generally have longer life cycles, many of those products require changes in design or other enhancements to meet the evolving needs of our customers. The future success of our business will depend, in part, on our ability to design and manufacture new competitive products and to enhance existing products. Our product development efforts may require substantial investment by us. There can be no assurance that unforeseen problems will not occur with respect to the development, performance or market acceptance of new technologies or products, such as the inability to:

identify viable new products;

obtain adequate intellectual property protection;

gain market acceptance of new products; or

successfully obtain regulatory approvals.

Moreover, we may not otherwise be able to successfully develop and market new products or enhance existing products. Our failure to successfully develop and market new products or enhance existing products could reduce our revenues and margins, which would have an adverse effect on our business, financial condition and results of operations.

We may incur material losses and costs as a result of product liability, warranty, recall and other claims that may be brought against us.

Our businesses expose us to potential product liability risks that are inherent in the design, manufacture and marketing of our products. In particular, our medical device products are often used in surgical and intensive care settings with seriously ill patients. Many of these products are designed to be implanted in the human body for varying periods of time, and component failures, manufacturing flaws, design defects or inadequate disclosure of product-related risks with respect to these or other products we manufacture or sell could result in an unsafe condition or injury to, or death of, the patient. In addition, our products for the

aerospace and commercial industries are used in potentially hazardous environments. Although we carry product liability insurance we may be exposed to product liability and warranty claims in the event that our products actually or allegedly fail to perform as expected or the use of our products results, or is alleged to result, in bodily injury and/or property damage. Accordingly, we could experience material warranty or product liability losses in the future and incur significant costs to defend these claims. In addition, if any of our products are, or are alleged to be, defective, we may be required to participate in a recall of that product if the defect or the alleged defect relates to safety, and we may experience lost sales and be exposed to legal and reputational risk. Product liability, warranty and recall costs may have a material adverse effect on our financial condition and results of operations.

We also are party to various lawsuits and claims arising in the normal course of business involving contracts, intellectual property, import and export regulations, employment and environmental matters. The defense of these lawsuits may divert our management s attention, and we may incur significant expenses in defending these lawsuits. In addition, we may be required to pay damage awards or settlements, or become subject to injunctions or other equitable remedies, that could have a material adverse effect on our financial condition and results of operations. While we do not believe that any litigation in which we are currently engaged would have such an adverse effect, the outcome of litigation, including regulatory matters, is often difficult to predict, and we cannot assure that the outcome of pending or future litigation will not have a material adverse effect on our business, financial condition or results of operations.

We have substantial debt obligations that could adversely impact our business, results of operations and financial condition.

As of December 31, 2009, our outstanding indebtedness was approximately $1.2 billion. We will be required to use a significant portion of our operating cash flow to reduce our indebtedness over the next few years. As a result, cash flow available to fund working capital, capital expenditures, acquisitions, investments and dividends may be limited. Our indebtedness may also subject us to greater vulnerability to general adverse economic and industry conditions and increase our vulnerability to increases in interest rates because a portion of our indebtedness bears interest at floating rates.

Our senior credit facility and agreements with the holders of our senior notes, which we refer to below as our senior debt facilities, impose certain operating and financial covenants that could limit our ability to, among other things:

incur debt;

create liens;

consolidate, merge or dispose of assets;

make investments;

engage in acquisitions

pay dividends on, repurchase or make distributions in respect of our capital stock; and

enter into derivative agreements to manage exposure to changes in interest rates.

In addition, the terms of our senior debt facilities require us to comply with a number of covenants, including covenants that require us to maintain specified financial ratios, which are described in more detail in Item 7, Management s Discussion and Analysis of Financial Condition and Results of Operations. Our ability to meet those financial ratios can be affected by events beyond our control, and we cannot assure that, in the event of a significant

deterioration of our operating results, we will be able to satisfy those ratios. A breach of any of these covenants could result in a default under our senior debt facilities. If we fail to maintain compliance with these covenants and cannot obtain a waiver from the lenders under the senior debt facilities, the lenders could elect to declare all amounts outstanding under the senior debt facilities to be immediately due and payable and

terminate all commitments to extend further credit under the facilities. If the lenders under the senior debt facilities accelerate the repayment of borrowings and we are not able to obtain financing to enable repayment, we likely would have to liquidate significant assets, which nevertheless may not be sufficient to repay our borrowings.

We are subject to risks associated with our non-U.S. operations.

Although no material concentration of our manufacturing operations exists in any single country, we have significant manufacturing operations outside the United States, including operations conducted through entities that are not wholly-owned. As of, and for the year ended, December 31, 2009, approximately 41% of our total fixed assets and 46% of our total net revenues were attributable to products directly distributed from our operations outside the U.S. Our international operations are subject to varying degrees of risk inherent in doing business outside the U.S., including:

- exchange controls, currency restrictions and fluctuations in currency values;
- trade protection measures;
- import or export requirements;
- subsidies or increased access to capital for firms who are currently or may emerge as competitors in countries in which we have operations;
- potentially negative consequences from changes in tax laws;
- restrictions and taxes related to the repatriation of foreign earnings;
- differing labor regulations;
- differing protection of intellectual property;
- unsettled political and economic conditions and possible terrorist attacks against American interests.

These and other factors may have a material adverse effect on our international operations or on our business, results of operations and financial condition generally.

Foreign currency exchange rate, commodity price and interest rate fluctuations may adversely affect our results.

We are exposed to a variety of market risks, including the effects of changes in foreign currency exchange rates, commodity prices and interest rates. We expect revenue from products manufactured in, and sold into, non-U.S. markets to continue to represent a significant portion of our net revenue. Our consolidated financial statements reflect translation of financial statements denominated in non-U.S. currencies to U.S. dollars, our reporting currency. When the U.S. dollar strengthens or weakens in relation to the foreign currencies of the countries where we sell or manufacture our products, such as the euro, our U.S. dollar-reported revenue and income will fluctuate. Although we have entered into forward contracts with several major financial institutions to hedge a portion of projected cash flows denominated in non-functional currency in order to reduce the effects of currency rate fluctuations, changes in the relative values of currencies may, in some instances, have a significant effect on our results of operations.

Many of our products have significant steel and plastic resin content. We also use quantities of other commodities, including copper and zinc. Although we monitor our exposure to these commodity price increases as an integral part of our overall risk management program, volatility in the prices of these commodities could increase the costs of our products and services. We may not be able to pass on these costs to our customers and this could have a material adverse effect on our results of operations and cash flows.

Fluctuations in our effective tax rate and changes to tax laws may adversely affect our results.

As a company with significant operations outside of the U.S., we are subject to taxation in numerous countries, states and other jurisdictions. As a result, our effective tax rate is derived from a combination of applicable tax rates in the various countries, states and other jurisdictions in which we operate. In preparing our financial statements, we estimate the amount of tax that will become payable in each of the countries, states and other jurisdictions in which we operate. Our effective tax rate, however, may be lower or higher than experienced in the past due to numerous factors, including a change in the mix of our profitability from country to country, changes in accounting for income taxes and changes in tax laws. Any of these factors could cause us to experience an effective tax rate significantly different from previous periods or our current expectations, which could have an adverse effect on our business and results of operations. In addition, unfavorable results of tax audits and changes in tax laws in jurisdictions in which we operate, among other things, could adversely affect our results of operations and cash flows.

An interruption in our manufacturing operations may adversely affect our business.

Many of our key products across all three of our business segments are manufactured at single locations, with limited alternate facilities. If an event occurs that results in damage to one or more of our facilities, it may not be possible to timely manufacture the relevant products at previous levels or at all. In addition, with respect to our Medical Segment, due to the stringent regulations and requirements of the FDA and other regulatory authorities regarding the manufacture of our products, we may not be able to quickly establish additional or replacement sources for certain components or materials. A reduction or interruption in manufacturing, or an inability to secure alternative sources of raw materials or components that are acceptable to us, could have an adverse effect on our results of operations and financial condition.

Further adverse developments in general domestic and global economic conditions combined with a continuation of volatile global credit markets could adversely impact our operating results, financial condition and liquidity.

We are subject to risks arising from adverse changes in general domestic and global economic conditions, including recession or economic slowdown and disruption of credit markets. The credit and capital markets experienced extreme volatility and disruption over the past year, leading to recessionary conditions and depressed levels of consumer and commercial spending. These recessionary conditions have caused customers to reduce, modify, delay or cancel plans to purchase our products and services. While recent indicators suggest modest improvement in the United States and global economy, we cannot predict the timing or extent of any economic recovery or the extent to which our customers will return to more normalized spending behaviors. If the recessionary conditions continue or worsen, our customers may terminate existing purchase orders or reduce the volume of products or services they purchase from us in the future. Adverse economic and financial market conditions may also cause our suppliers to be unable to meet their commitments to us or may cause suppliers to make changes in the credit terms they extend to us, such as shortening the required payment period for outstanding accounts receivable or reducing the maximum amount of trade credit available to us. These types of actions by our suppliers could significantly affect our liquidity and could have a material adverse effect on our results of operations and financial condition. If we are unable to successfully anticipate changing economic and financial market conditions, we may be unable to effectively plan for and respond to those changes, and our business could be negatively affected.

In addition, the amount of goodwill and other intangible assets on our consolidated balance sheet have increased significantly in recent years, primarily as a result of the acquisition of Arrow International in 2007. Adverse economic and financial market conditions may result in future charges to recognize impairment in the carrying value of our goodwill and other intangible assets, which could have a material adverse effect on our financial results.

Our technology is important to our success, and our failure to protect this technology could put us at a competitive disadvantage.

Because many of our products rely on proprietary technology, we believe that the development and protection of our intellectual property rights is important, though not essential, to the future success of our business. In addition to relying on our patents, trademarks and copyrights, we rely on confidentiality agreements with employees and other measures to protect our know-how and trade secrets. Despite our efforts to protect proprietary rights, unauthorized parties or competitors may copy or otherwise obtain and use these products or technology. The steps we have taken may not prevent unauthorized use of this technology, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the U.S. Moreover, there can be no assurance that others will not independently develop the know-how and trade secrets or develop better technology than ours or that current and former employees, contractors and other parties will not breach confidentiality agreements, misappropriate proprietary information and copy or otherwise obtain and use our information and proprietary technology without authorization or otherwise infringe on our intellectual property rights. Our inability to protect our proprietary technology could result in competitive harm that could adversely affect our business.

We depend upon relationships with physicians and other health care professionals.

The research and development of some of our products is dependent on our maintaining strong working relationships with physicians and other health care professionals. We rely on these professionals to provide us with considerable knowledge and experience regarding our products and the development of our products. Physicians assist us as researchers, product consultants, inventors and as public speakers. If we fail to maintain our working relationships with physicians and receive the benefits of their knowledge, advice and input, our products may not be developed and marketed in line with the needs and expectations of the professionals who use and support our products, which could have a material adverse effect on our business, financial condition and results of operations.

Our workforce covered by collective bargaining and similar agreements could cause interruptions in our provision of services.

Approximately 13% of our net revenues are generated by operations for which a significant part of our workforce is covered by collective bargaining agreements and similar agreements in foreign jurisdictions. It is likely that a portion of our workforce will remain covered by collective bargaining and similar agreements for the foreseeable future. Strikes or work stoppages could occur that would adversely impact our relationships with our customers and our ability to conduct our business.

ITEM 1B. *UNRESOLVED STAFF COMMENTS*

Not applicable.

ITEM 2. *PROPERTIES*

Our operations have approximately 118 owned and leased properties consisting of plants, engineering and research centers, distribution warehouses, offices and other facilities. We believe that the properties are maintained in good operating condition and are suitable for their intended use. In general, our facilities meet current operating requirements for the activities currently conducted therein.

Our major facilities are as follows:

Location	Square Footage	Owned or Leased
Medical Segment		
Haslet, TX	304,000	Leased
Nuevo Laredo, Mexico	277,000	Leased
Asheboro, NC	206,000	Owned
Durham, NC	199,000	Leased
Reading, PA	166,000	Owned
Chihuahua, Mexico	154,000	Owned
Wyomissing, PA	147,000	Owned
Research Triangle Park, NC	147,000	Owned
Kernen, Germany	142,000	Leased
Tongeren, Belgium	131,000	Leased
Zdar nad Sazavou, Czech Republic	108,000	Owned
Kamunting, Malaysia	102,000	Owned
Tecate, Mexico	96,000	Leased
Hradec Kralove, Czech Republic	92,000	Owned
Arlington Heights, IL	86,000	Leased
Kenosha, WI	77,000	Owned
Kamunting, Malaysia	77,000	Leased
Kernen, Germany	73,000	Owned
Wyomissing, PA	66,000	Leased
Jaffrey, NH	65,000	Owned
Everett, MA	56,000	Leased
Bad Liebenzell, Germany	53,000	Leased
Commercial Segment		
Litchfield, IL	169,000	Owned
Richmond, BC, Canada	161,000	Leased
Singapore	118,000	Owned
Houston, TX	117,000	Owned
Limerick, PA	113,000	Owned
Olive Branch, MS	80,000	Leased
Aerospace Segment		
Holmestrand, Norway	152,000	Leased
Simi Valley, CA	122,000	Leased
Miesbach, Germany	112,000	Leased

In addition to the properties listed above, we own or lease approximately 1.0 million square feet of warehousing, manufacturing and office space located in the United States, Canada, Mexico, South America, Europe, Australia, Asia and Africa. We also own or lease certain properties that are no longer being used in our operations. We are actively marketing these properties for sale or sublease. At December 31, 2009, the unused owned properties were classified as held for sale.

ITEM 3. ***LEGAL PROCEEDINGS***

On October 11, 2007, the Company s subsidiary, Arrow International, Inc. (Arrow), received a corporate warning letter from the U.S. Food and Drug Administration (FDA). The letter cited three site-specific warning letters issued by the FDA in 2005 and subsequent inspections performed from June 2005 to February 2007 at Arrow s facilities in the United States. The letter expressed concerns with Arrow s quality systems, including complaint handling, corrective and preventive action, process and design validation, inspection and training procedures. It also advised that Arrow s corporate-wide program to evaluate, correct and prevent quality system issues has been deficient. Limitations on pre-market approvals and certificates for foreign governments had

previously been imposed on Arrow based on prior inspections and the corporate warning letter did not impose additional sanctions that are expected to have a material financial impact on the Company.

In connection with its acquisition of Arrow, completed on October 1, 2007, the Company developed an integration plan that included the commitment of significant resources to correct these previously-identified regulatory issues and further improve overall quality systems. Senior management officials from the Company have met with FDA representatives, and a comprehensive written corrective action plan was presented to FDA in late 2007. At the end of 2009, the FDA began its reinspections of the Arrow facilities covered by the corporate warning letter. These inspections have been substantially completed, and the FDA has issued certain written observations to Arrow as a result of those inspections. We are currently in the process of responding to those observations and communicating with the FDA regarding resolution of all outstanding issues.

While the Company continues to believe it has substantially remediated these issues through the corrective actions taken to date, there can be no assurances that these issues have been resolved to the satisfaction of the FDA. If the Company s remedial actions are not satisfactory to the FDA, the Company may have to devote additional financial and human resources to its efforts, and the FDA may take further regulatory actions against the Company.

In addition, we are a party to various lawsuits and claims arising in the normal course of business. These lawsuits and claims include actions involving product liability, intellectual property, employment and environmental matters. Based on information currently available, advice of counsel, established reserves and other resources, we do not believe that any such actions are likely to be, individually or in the aggregate, material to our business, financial condition, results of operations or liquidity. However, in the event of unexpected further developments, it is possible that the ultimate resolution of these matters, or other similar matters, if unfavorable, may be materially adverse to our business, financial condition, results of operations or liquidity.

ITEM 4. ***SUBMISSION OF MATTERS TO A VOTE OF SECURITY HOLDERS***

Not applicable.

PART II

ITEM 5. *MARKET FOR REGISTRANT S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES*

Our common stock is listed on the New York Stock Exchange, Inc. (symbol TFX). Our quarterly high and low stock prices and dividends for 2009 and 2008 are shown below.

Price Range and Dividends of Common Stock

2009	**High**	**Low**	**Dividends**
First Quarter	$ 54.61	$ 37.56	$ 0.340
Second Quarter	$ 46.54	$ 37.21	$ 0.340
Third Quarter	$ 51.31	$ 42.34	$ 0.340
Fourth Quarter	$ 55.30	$ 47.00	$ 0.340

2008	**High**	**Low**	**Dividends**
First Quarter	$ 63.60	$ 47.82	$ 0.320
Second Quarter	$ 60.18	$ 47.21	$ 0.340
Third Quarter	$ 68.23	$ 51.00	$ 0.340
Fourth Quarter	$ 65.64	$ 40.00	$ 0.340

Various senior and term note agreements provide for the maintenance of certain financial ratios and limit the repurchase of our stock and payment of cash dividends. Under the most restrictive of these provisions, on an annual basis $223 million of retained earnings was available for dividends and stock repurchases at December 31, 2009. On February 23, 2010, the Board of Directors declared a quarterly dividend of $0.34 per share on our common stock, which is payable on March 15, 2010 to holders of record on March 3, 2010. As of February 23, 2010, we had approximately 804 holders of record of our common stock.

On June 14, 2007, the Company s Board of Directors authorized the repurchase of up to $300 million of outstanding Company common stock. Through December 31, 2009, no shares have been purchased under this Board authorization. See Stock Repurchase Programs contained in the Management Discussion and Analysis of Financial Condition and Results of Operations on page 42 for more information.

The following graph provides a comparison of five year cumulative total stockholder returns of Teleflex common stock, the Standard & Poor (S&P) 500 Stock Index and the S&P MidCap 400 Index. We have selected the S&P MidCap 400 Index because, due to the diverse nature of our businesses, we do not believe that there exists a relevant published industry or line-of-business index and do not believe we can reasonably identify a peer group. The annual changes for the five-year period shown on the graph are based on the assumption that $100 had been invested in Teleflex common stock and each index on December 31, 2004 and that all dividends were reinvested.

MARKET PERFORMANCE
Comparison of Cumulative Five Year Total Return

Company/Index	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**
Teleflex Incorporated	100	128	129	128	104	116
S&P 500 Index	100	107	122	128	81	102
S&P MidCap 400 Index	100	115	125	135	86	118

ITEM 6. ***SELECTED FINANCIAL DATA***

The selected financial data in the following table includes the results of operations for acquired companies from the respective date of acquisition, including Arrow International from October 1, 2007. See note (2) below for a description of special charges included in the 2008 and 2007 financial results.