BIOMET INC
Form S-4
May 06, 2008
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As filed with the Securities and Exchange Commission on May 6, 2008

Registration No. 333-

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM S-4

REGISTRATION STATEMENT

UNDER

THE SECURITIES ACT OF 1933

BIOMET, INC.

(Exact name of registrant as specified in its charter)

(see table of additional registrants)

Indiana	**3842**	**35-1418342**
(State or other jurisdiction of incorporation or organization)	**(Primary Standard Industrial Classification Code Number)**	**(I.R.S. Employer Identification Number)**

56 East Bell Drive

Warsaw, Indiana 46582

(574) 267-6639

(Address, including zip code, and telephone number, including area code, of registrant s principal executive offices)

Bradley J. Tandy

Senior Vice President, General Counsel and Secretary

Biomet, Inc.

56 East Bell Drive

Warsaw, Indiana 46582

(574) 267-6639

(Name, address, including zip code Telephone Number, Including Area Code, of Agent For Service)

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Approximate date of commencement of proposed sale to the public: As soon as practicable after the Registration Statement becomes effective.

If the securities being registered on this Form are being offered in connection with the formation of a holding company and there is compliance with General Instruction G, check the following box. ¨

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act of 1933, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ¨

CALCULATION OF REGISTRATION FEE

Title of each class of securities to be registered	Amount to be registered	Proposed maximum offering price per unit	Proposed maximum aggregate offering price(1)	Amount of registration fee
10% Senior Notes due 2017	$775,000,000	100%	$775,000,000	$30,458
Guarantees of 10% Senior Notes due 2017(2)				(3)
10 3/8%/11 1/8% Senior Toggle Notes due 2017	$775,000,000	100%	$775,000,000	$30,458
Guarantees of 10 3/8%/11 1/8% Senior Toggle Notes due 2017(2)				(3)
11 5/8% Senior Subordinated Notes due 2017	$1,015,000,000	100%	$1,015,000,000	$39,890
Guarantees of 11 5/8% Senior Subordinated Notes due 2017(2)				(3)

(1) Estimated solely for purposes of calculating the registration fee pursuant to Rule 457 under the Securities Act of 1933, as amended (the Securities Act).

(2) Each of Biomet, Inc. s wholly-owned domestic subsidiaries jointly, severally and unconditionally guarantees, the 10% Senior Notes due 2017 and the 10 3/8%/11 1/8% Senior Toggle Notes due 2017 on a senior unsecured basis, and the 11 5/8% Senior Subordinated Notes due 2017 on a senior subordinated unsecured basis. See inside facing page for table of additional registrant guarantors.

(3) Pursuant to Rule 457(n) under the Securities Act, no separate fee is payable for the registration of the Guarantees.

The registrants hereby amend this registration statement on such date or dates as may be necessary to delay its effective date until the registrants shall file a further amendment which specifically states that this registration statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the registration statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

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TABLE OF ADDITIONAL REGISTRANT GUARANTORS

Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number	Address, including Zip Code and Telephone Number, including Area Code, of Agent for Service, of Registrant s Principal Executive Offices
Biolectron, Inc.	Delaware	3842	13-2914413	3200 Las Vegas Blvd. Las Vegas, NV 89109 (574) 267-6639
Biomet 3i, LLC	Florida	3842	59-2816882	4555 Riverside Drive Palm Beach Gardens, FL 33410 (574) 267-6639
Biomet Biologics, LLC	Indiana	3842	03-04079652	56 E. Bell Drive Warsaw, IN 46582 (574) 267-6639
Biomet Europe Ltd.	Delaware	3842	35-1603620	Toermalijnring 600 3316 LC Dordrecht The Netherlands (574) 267-6639
Biomet Fair Lawn, LLC	Indiana	3842	31-1651311	20-01 Pollitt Drive Fairlawn, NJ 07410 (574) 267-6639
Biomet Holdings Ltd.	Delaware	3842	35-2022857	56 E. Bell Drive Warsaw, IN 46582 (574) 267-6639
Biomet International Ltd.	Delaware	3842	35-2046422	56 E. Bell Drive Warsaw, IN 46582 (574) 267-6639
Biomet Leasing, Inc.	Indiana	3842	35-2076217	56 E. Bell Drive

				Warsaw, IN 46582 (574) 267-6639
Biomet Manufacturing Corporation	Indiana	3842	35-2074039	56 E. Bell Drive Warsaw, IN 46582 (574) 267-6639
Biomet Microfixation, LLC	Florida	3842	59-1692523	1520 Tradeport Drive Jacksonville, FL 32218-2482 (574) 267-6639
Biomet Orthopedics, LLC	Indiana	3842	35-2074037	56 E. Bell Drive Warsaw, IN 46582 (574) 267-6639
Biomet Sports Medicine, LLC	Indiana	3842	35-1803072	56 E. Bell Drive Warsaw, IN 46852 (574) 267-6639
Biomet Travel, Inc.	Indiana	3842	56-2284-205	56 E. Bell Drive Warsaw, IN 46852 (574) 267-6639
Blue Moon Diagnostics, Inc.	Indiana	3842	35-2070282	56 E. Bell Drive Warsaw, IN 46852 (574) 267-6639

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Exact Name of Registrant as Specified in its Charter	State or Other Jurisdiction of Incorporation or Organization	Primary Standard Industrial Classification Code Number	I.R.S. Employer Identification Number	Address, including Zip Code and Telephone Number, including Area Code, of Agent for Service, of Registrant s Principal Executive Offices
Cross Medical Products, LLC	Delaware	3842	31-0992628	181 Technology Drive Irvine, CA 92618 (574) 267-6639
EBI Holdings, LLC	Delaware	3842	22-2407246	100 Interpace Parkway Parsippany, NJ 07054 (574) 267-6639
EBI, LLC	Indiana	3842	31-1651314	100 Interpace Parkway Parsippany, NJ 07054 (574) 267-6639
EBI Medical Systems, LLC	Delaware	3842	22-2406619	100 Interpace Parkway Parsippany, NJ 07054 (574) 267-6639
Electro-Biology, LLC	Delaware	3842	22-2278360	6 Upper Pond Road Parsippany, NJ 07054-01079 (574) 267-6639
Biomet Florida Services, LLC	Florida	3842	20-0388276	4555 Riverside Drive Palm Beach Gardens, FL 33410 (574) 267-6639
Implant Innovations Holdings, LLC	Indiana	3842	35-2088040	56 E. Bell Drive Warsaw, IN 46852 (574) 267-6639
Interpore Cross International, LLC	California	3842	33-0818017	181 Technology Drive, Irvine, CA 92618 (574) 267-6639
Interpore Spine Ltd.	Delaware	3842	95-3043318	181 Technology Drive,

				Irvine, CA 92618 (574) 267-6639
Kirschner Medical Corporation	Delaware	3842	52-1319702	100 Interpace Parkway Parsippany, NJ 07054 (574) 267-6639
Meridew Medical, Inc.	Indiana	3842	35-2151951	56 E. Bell Drive Warsaw, IN 46580 (574) 267-6639
Thoramet, Inc.	Indiana	3842	35-2070281	56 E. Bell Drive Warsaw, IN 46580 (574) 267-6639

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The information in this preliminary prospectus is not complete and may be changed. These securities may not be sold until the registration statement filed with the Securities and Exchange Commission is effective. This preliminary prospectus is not an offer to sell nor does it seek an offer to buy these securities in any jurisdiction where the offer or sale is not permitted.

SUBJECT TO COMPLETION, DATED MAY 6, 2008

PRELIMINARY PROSPECTUS

OFFERS TO EXCHANGE

$775,000,000 aggregate principal amount of its 10% Senior Notes due 2017;

$775,000,000 aggregate principal amount of its 10 3/8%/11 1/8% Senior Toggle Notes due 2017 and

$1,015,000,000 aggregate principal amount of its 11 5/8% Senior Subordinated Notes due 2017, the issuance of each of which has been registered under the Securities Act of 1933 (collectively, the exchange notes),

for

any and all of its outstanding 10% Senior Notes due 2017; 10 3/8%/11 1/8% Senior Toggle Notes due 2017 and 11 5/8% Senior Subordinated Notes due 2017, respectively (collectively, the original notes, and together with the exchange notes, the notes).

The Exchange Offers:

We will exchange all original notes that are validly tendered and not validly withdrawn for an equal principal amount of exchange notes that are freely tradable.

You may withdraw tenders of original notes at any time prior to the expiration date of the exchange offers.

The exchange offers expire at 5:00 p.m., New York City time, on , 2008, unless extended. We do not currently intend to extend the expiration date.

The Exchange Notes:

The exchange notes are being offered in order to satisfy certain of our obligations under the registration rights agreements entered into in connection with the private offerings of the original notes.

The terms of the exchange notes to be issued in the exchange offers are substantially identical to the original notes, except that the exchange notes will be freely tradeable.

Resales of the Exchange Notes:

The exchange of original notes for exchange notes in the exchange offers will not be a taxable event for U.S. federal income tax purposes.

The exchange notes may be sold in the over-the-counter market, in negotiated transactions or through a combination of such methods. We do not plan to list the exchange notes on a securities exchange or automated quotation system.

We will not receive any proceeds from the exchange offers.

You should consider carefully the risk factors beginning on page 21 of this prospectus before participating in the exchange offers.

Each broker-dealer that receives exchange notes for its own account pursuant to the exchange offers must acknowledge that it will deliver a prospectus in connection with any resale of such exchange notes. The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. This prospectus, as it may be amended or supplemented from time to time, may be used by a broker-dealer in connection with resales of exchange notes received in exchange for original notes where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities. We have agreed that, for a period of 90 days after the expiration date (as defined herein), we will make this prospectus available to any broker-dealer for use in connection with any such resale. See Plan of Distribution.

Neither the Securities and Exchange Commission nor any state securities commission has approved or disapproved of these securities or passed upon the adequacy or accuracy of this prospectus. Any representation to the contrary is a criminal offense.

The date of this prospectus is , 2008.

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You should rely only on the information contained or incorporated by reference in this prospectus. We have not authorized any person to provide you with any information or represent anything about us or this offering that is not contained in this prospectus. If given or made, any such other information or representation should not be relied upon as having been authorized by us. We are offering to exchange the original notes for the exchange notes only in places where the exchange offers are permitted. You should not assume that the information contained or incorporated by reference in this prospectus is accurate as of any date other than the date on the front cover of this prospectus or the date of any document incorporated by reference herein.

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WHERE YOU CAN FIND MORE INFORMATION

We and the guarantors have filed with the Securities and Exchange Commission, or the SEC, a registration statement on Form S-4 under the Securities Act of 1933, as amended, or the Securities Act, with respect to the exchange notes being offered hereby. This prospectus, which forms a part of the registration statement, does not contain all of the information set forth in the registration statement. For further information with respect to us, the guarantors or the exchange notes, we refer you to the registration statement. Statements contained in this prospectus as to the contents of any contract or other document are not necessarily complete. We are not currently subject to the informational requirements of the Securities Exchange Act of 1934, as amended, or the Exchange Act. As a result of the offering of the exchange notes, we will become subject to the informational requirements of the Exchange Act, and, in accordance therewith, will file reports and other information with the SEC. The registration statement, such reports and other information can be inspected and copied at the Public Reference Room of the SEC located at Room 1580, 100 F Street, N.E., Washington D.C. 20549. Copies of such materials, including copies of all or any portion of the registration statement, can be obtained from the Public Reference Room of the SEC at prescribed rates. You can call the SEC at 1-800-SEC-0330 to obtain information on the operation of the Public Reference Room. Such materials may also be accessed electronically by means of the SEC s home page on the Internet (http://www.sec.gov).

Under the terms of the indentures relating to the notes, we have agreed that, whether or nor we are required to do so by the rules and regulations of the SEC, for so long as any of the notes remain outstanding, we will furnish to the trustee and holders of the notes the information specified therein. See Description of Senior Exchange Notes and Description of Senior Subordinated Exchange Notes.

FORWARD-LOOKING STATEMENTS

This prospectus contains forward-looking statements within the meaning of the U.S. federal securities laws. Statements that are not historical facts, including statements about our beliefs and expectations, are forward-looking statements. Forward-looking statements include statements generally preceded by, followed by or that include the words believe, could, expect, intend, may, anticipate, plan, predict, potentia similar expressions. These statements include, but are not limited to, statements related to:

- the timing and number of planned new product introductions;
- the effect of anticipated changes in the size, health and activities of the population or on the demand for our products;
- assumptions and estimates regarding the size and growth of certain market categories;
- our ability and intent to expand in key international markets;
- the timing and anticipated outcome of clinical studies;
- assumptions concerning anticipated product developments and emerging technologies;
- the future availability of raw materials;
- the anticipated adequacy of our capital resources to meet the needs of our business;
- our continued investment in new products and technologies;

the ultimate marketability of products currently being developed;

the ability to successfully implement new technologies and transition certain manufacturing operations to China;

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our ability to manage working capital and generate adequate cash flows to service outstanding debt;

our ability to sustain sales and earnings growth;

our goals for sales and earnings growth;

our success in achieving timely approval or clearance of our products with domestic and foreign regulatory entities;

our success in implementing our value creation and operational improvement programs;

the stability of certain foreign economic markets;

the impact of anticipated changes in the musculoskeletal industry and our ability to react to and capitalize on those changes;

our ability to successfully implement desired organizational changes;

the impact of our managerial changes; and

our ability to take advantage of technological advancements.

Forward-looking statements reflect our current expectations and are not guarantees of performance. These statements are based on our management s beliefs and assumptions, which in turn are based on currently available information. Important assumptions relating to these forward-looking statements include, among others, assumptions regarding demand for our products, expected pricing levels, raw material costs, the timing and cost of planned capital expenditures, expected outcomes of pending litigation, the solvency of our insurers and the ultimate resolution of allocation and coverage issues with those insurers, competitive conditions and general economic conditions. Readers of this prospectus are cautioned that reliance on any forward-looking statement involves risks and uncertainties. Although we believe that the assumptions on which the forward-looking statements contained herein are based are reasonable, any of those assumptions could prove to be inaccurate given the inherent uncertainties as to the occurrence or nonoccurrence of future events. There can be no assurance that the forward-looking statements contained in this prospectus will prove to be accurate. The inclusion of a forward-looking statement in this prospectus should not be regarded as a representation by us that our objectives will be achieved. Forward-looking statements also involve risks and uncertainties, which could cause actual results to differ materially from those contained in any forward-looking statement. Many of these factors are beyond our ability to control or predict and could, among other things, cause actual results to differ from those contained in forward-looking statements made in this prospectus and presented elsewhere by management from time to time. Such factors, among others, may have a material adverse effect upon our business, financial condition and results of operations and may include, but are not limited to, factors discussed under the heading Risk Factors and the following:

changes in general economic conditions and interest rates;

changes in the availability of capital and financing sources;

changes in competitive conditions and prices in our markets;

changes in the relationship between supply of and demand for our products;

fluctuations in costs of raw materials and labor;

changes in other significant operating expenses;

decreases in sales of our principal product lines;

slow downs or inefficiencies in our product research and development efforts;

increases in expenditures related to increased government regulation of our business;

developments adversely affecting our sales activities outside the United States;

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decreases in reimbursement levels by our customers;

difficulties in transitioning certain manufacturing operations to China;

challenges in effectively implementing restructuring and cost saving initiatives;

increases in cost-containment efforts by group purchasing organizations;

loss of our key management and other personnel or inability to attract such management and other personnel;

increases in costs of retaining existing independent sales agents of our products;

unanticipated expenditures related to litigation, including litigation related to the Merger, the past stock option grant practices and investigations by the U.S. Department of Justice and the SEC; and

failure to comply with the terms of the Deferred Prosecution Agreement and Corporate Integrity Agreement.

We caution you not to place undue reliance on these forward-looking statements that speak only as of the date they were made. We do not undertake any obligation to publicly release any revisions to these forward-looking statements to reflect events or circumstances after the date of this prospectus or to reflect the occurrence of unanticipated events.

MARKET AND INDUSTRY DATA

In this prospectus, we rely on and refer to information and statistics regarding our industry products and our market share based on revenues in the sectors in which we compete. Where possible, we obtained this information and statistics from third-party sources, such as independent industry publications, government publications or reports by market research firms, including, without limitation, Eurostat, Knowledge Enterprises, Inc., the U.S. Census Bureau, Wall Street research and from company research and trade interviews. In addition, we have supplemented third-party information where necessary with management estimates based on our review of internal surveys, information from our customers and vendors, trade and business organizations and other contacts in markets in which we operate, and our management s knowledge and experience. However, these estimates are subject to change and are uncertain due to limits on the availability and reliability of primary sources of information and the voluntary nature of the data gathering process. Although we believe that these independent sources and our management s estimates are reliable as of the date of this prospectus, the information contained in them has not been independently verified, and we cannot assure you as to the accuracy or completeness of such information. As a result, you should be aware that market share and industry data included in this prospectus, and estimates and beliefs based on that data, may not be reliable. We make no representation as to the accuracy or completeness of such information.

OTHER DATA

Numerical figures included in this prospectus have been subject to rounding adjustments.

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EXCHANGE RATE INFORMATION

For purposes of presenting in U.S. dollars the amounts outstanding and the amounts available for borrowing under our senior secured credit facilities, euro-denominated European line of credit and yen-denominated Japanese lines of credit as well as the fair value of the interest rate swap agreements relating to our euro-denominated senior secured term loan facility, in each case as of February 29, 2008, we have used the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York for the euro of 1.00 to $1.5187 and yen of ¥1.00 to $0.009448. These rates are presented for informational purposes and are not the same as the rates that are used for purposes of translating euros or yen into U.S. dollars in our financial statements.

TERMS USED IN THIS PROSPECTUS

Unless otherwise noted or indicated by the context, in this prospectus:

For periods prior to the Merger, the terms Biomet, Company, we, us and our refer to Biomet, Inc. as the target corporation and it consolidated subsidiaries, and for periods after the Merger, those terms refer to Biomet, Inc. as the surviving corporation and its consolidated subsidiaries, unless we expressly state otherwise or the context otherwise requires.

The term Merger refers to the merger of LVB Acquisition Merger Sub, Inc., an Indiana corporation and wholly-owned subsidiary of LVB Acquisition, Inc., and the initial issuer of the original notes, with and into Biomet, with Biomet continuing as the surviving corporation after the merger.

The term Transactions refers to the transactions described in the section titled The Transactions included elsewhere in this prospectus.

The term Sponsors refers to the investment funds affiliated with The Blackstone Group, Goldman Sachs Capital Partners, Kohlberg Kravis Roberts & Co., or KKR, and TPG Capital, or TPG, that have committed to provide the equity investment to pay a portion of the cash consideration to be paid as part of the Merger.

The term closing date refers to September 25, 2007, the date of closing of the Merger.

The term pro forma refers to our financial information, as adjusted to give effect to the Transactions on the basis described, and subject to the qualifications expressed, under the heading Unaudited Pro Forma Condensed Consolidated Financial Data.

The term domestic refers to the United States and the term international refers to all countries other than the United States.

References to our fiscal years through and including fiscal 2007 are to the twelve months ended on May 31 of such year.

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SUMMARY

This summary contains basic information about us and these exchange offers. Because it is a summary, it does not contain all of the information that is important to you. You should read this entire prospectus carefully, including the section entitled Risk Factors and our consolidated financial statements and the notes thereto included elsewhere in this prospectus, before participating in the exchange offers.

Our Company

General

We are one of the largest orthopedic medical device companies in the United States and worldwide with operations in over 50 locations throughout the world and distribution in more than 70 countries. We design, manufacture and market a comprehensive range of both surgical and non-surgical products used primarily by orthopedic surgeons and other musculoskeletal medical specialists. For over 30 years, we have applied the most advanced engineering and manufacturing technology to the development of highly durable joint replacement systems and minimally invasive surgical procedures. For fiscal 2007 and the nine months ended February 29, 2008, we generated net sales of $2,107 million and pro forma net sales of $1,748 million, respectively.

Products

We operate in one business segment, musculoskeletal products, which includes the design, manufacture and marketing of products in four major market categories: Reconstructive Products, Fixation Devices, Spinal Products and Other Products. We have three reportable geographic markets: United States, Europe and International.

Reconstructive Products. We are a worldwide leader in our principal market category, Reconstructive Products. Primary product offerings include implants and instrumentation for replacing knees and hips as well as extremity joints that have deteriorated due to disease (principally osteoarthritis) or injury. We have been among the fastest growing knee companies in the industry as a result of continued strong demand for our total and partial knee systems. We also believe that our innovative hip product offerings, including our broad platform of bearing options, represent competitive advantages and have led to excellent surgeon acceptance. This market category also includes our dental reconstructive device business, which includes implants and abutments, augmented by a growing line of our other reconstructive products such as regenerative products, accessories and biologics products. The Reconstructive Products category accounted for 71% of our net sales for fiscal 2007 and 73% of our pro forma net sales for the nine months ended February 29, 2008.

Fixation Devices. Fixation devices are used for setting and stabilizing damaged bones to support and/or augment the body s natural healing process. We are a market leader for electrical stimulation devices for trauma indications, offering implantable and non-invasive products to stimulate bone growth. Other products include internal fixation devices (such as nails, plates, screws, pins and wires used to stabilize traumatic bone injuries), external fixation devices (used to stabilize fractures when alternative methods of fixation are not suitable), craniomaxillofacial fixation systems and bone substitute materials. The Fixation Devices category accounted for 11% of our net sales for fiscal 2007 and 10% of our pro forma net sales for the nine months ended February 29, 2008.

Spinal Products. Spinal products include devices and instrumentation for repairing defects or wear and tear in the vertebral column. Key products in this category include implantable and non-invasive electrical stimulation devices for spinal indications (used to enhance bone fusion success), spinal fixation systems used to stabilize the spine, bone substitute materials and allograft services used in spinal fusion procedures, as well as motion preservation systems. The Spinal Products category accounted for 10% of our net sales for fiscal 2007 and 9% of our pro forma net sales for the nine months ended February 29, 2008.

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Other Products. We manufacture and distribute a number of other products, including sports medicine products (used in minimally-invasive orthopedic surgical procedures), orthopedic support products (also referred to as softgoods and bracing products), operating room supplies, casting materials, general surgical instruments, wound care products and other surgical products. The Other Products category accounted for 8% of our net sales for both fiscal 2007 and our pro forma net sales for the nine months ended February 29, 2008.

The following charts set forth our net sales by market category and geographic markets for fiscal 2007.

Industry

We participate in the worldwide orthopedic and dental implant markets, which management estimates to be $30 billion in market size. These markets enjoy favorable industry dynamics and Wall Street analysts estimate that these markets will grow at a compounded annual growth rate above 10% over the next five years. The orthopedic industry benefits from several favorable factors, including, but not limited to:

Favorable Demographics. An aging population is driving growth in the orthopedic products market. Many conditions that require orthopedic surgery affect people in middle age or later in life. As the baby boomer population ages and life expectancy increases, the elderly will represent a higher percentage of the overall population. According to a 2007 U.S. Census Bureau projection, the U.S. population aged 55 to 74 is expected to grow at approximately three times the average rate of population growth from 51 million and 18% of the population in 2007 to 76 million and 22% of the population by 2027. According to a 2006 Eurostat projection, the European population aged 65 and over will grow at approximately 16 times the average rate of population growth from 77 million and 17% of the population in 2005 to 135 million and 30% of the population in 2025.

Stable Industry Structure. Following a period of consolidation during the late 1990s, over the past nine years, we, together with Zimmer Holdings, Inc., DePuy, Inc. (a Johnson & Johnson company), Stryker Corporation and Smith & Nephew plc, have constituted over 85% of the orthopedic reconstructive industry s worldwide revenues. These players have achieved critical components to success, including product innovations and advancements, accumulation of clinical data, regulatory expertise, economies of scale, and sales force and surgeon customer relationships, which have led to minimal market share movement among top players from year to year.

Close Working Relationships with Surgeon Customers. Due to the nature of orthopedic implants, the orthopedic medical device industry is unique with respect to the working relationships between orthopedic device manufacturers and their surgeon customers. As a component of innovation in the industry, some surgeons serve as consultants and are instrumental in the development of new products and the ongoing evaluation and improvement of existing products.

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Technological Advancement of Orthopedic Products. Incremental and continuous technological advancement of orthopedic products is expanding the addressable market. Product innovation is improving the durability and performance of orthopedic devices and promoting less invasive surgery. Examples include bearing surfaces in hips with potential for greater longevity, premium knee systems that allow greater range of motion, and press fit hip stems that facilitate minimally invasive hip procedures. As a result of this ongoing innovation, we believe that surgeons are increasingly recommending and utilizing implant products for younger patients as well as elderly patients who are remaining healthier and more active than those of past generations.

Favorable Product Mix Shift. Continued product innovation is driving a favorable shift in mix towards premium products that offer enhanced outcomes for patients. Product evolution is also expanding the addressable market to include younger patients who are more likely to require and demand premium and high-performance products. In addition, the payor mix resulting from the broadening of the patient population to younger patients with private insurance creates a favorable environment due to the fact that joint procedures for non-Medicare payors are generally more profitable for hospitals.

Competitive Strengths

We believe we have a number of competitive strengths that will enable us to further enhance our position in the orthopedic medical device market.

Broad Market Leadership. We are the fourth largest player in the U.S. orthopedic reconstructive market and have maintained this position for over a decade. We have high representation at U.S. hospitals, supplying products to over 60% of hospitals performing joint replacement surgery. In addition, we are the third largest manufacturer and marketer of dental reconstructive products worldwide and maintain leadership positions in the electrical stimulation and craniomaxillofacial fields.

Leading Research and Development Platform. We have a long history of innovation, engineering, quality and successful new product launches. Demonstrating our research and development leadership, we have launched approximately 800 new products in the past nine fiscal years and plan to introduce approximately 100 new products during fiscal 2009.

Strong Relationships with Surgeon Customers. Based on their understanding of and satisfaction with our products, we enjoy long-standing relationships with our surgeon customers, many of which commence during the surgeon s residency training program. Our support of medical education programs provides important training opportunities for orthopedic surgeons early in their career. In fact, supporting hands-on training provides opportunities for residents, fellows and attending surgeons to experience the clinical benefits of our products. Surgeons have historically exhibited limited willingness to switch manufacturers, as successful patient outcomes are related to the practitioners familiarity with the procedural characteristics and instrumentation of certain implants. As such, 19 of our top 25 surgeons have been our customers for at least 10 years.

Consistently Strong Operating Cash Flow Generation. Our business is characterized by consistently strong operating cash flows due to our robust operating history and moderate capital intensity. We have continually increased both revenues and profitability, with fiscal 2007 representing our 29th consecutive year of year-over-year net sales growth. Over the last 15 years, from fiscal 1992 to fiscal 2007, we increased net sales at compounded annual growth rate of approximately 15%. We have sustained growth through multiple macro-economic cycles, demonstrating a stable business profile. In addition, we have historically had modest capital expenditure and working capital requirements providing for strong operating cash flow conversion.

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Experienced and Dedicated Management Team. We have a highly experienced management team at both the corporate and operational level. Our team is led by Jeffrey R. Binder, a 15-year veteran of the orthopedic medical device industry, who was appointed President and Chief Executive Officer in February 2007. Daniel P. Florin was appointed Senior Vice President and Chief Financial Officer in June 2007 and brings 16 years of financial officer/controller experience in the medical device industry and five years of public accounting and auditing experience to Biomet. Glen A. Kashuba was appointed Senior Vice President and President of Biomet Trauma and Biomet Spine, or BTBS, in April 2007, having previously served as Worldwide President of Cordis Endovascular, a division of Johnson & Johnson. Gregory W. Sasso, who has been with us for 23 years, was appointed Senior Vice President and President of Biomet SBU Operations in June 2007. In February 2008, Jon C. Serbousek was appointed President of Biomet Orthopedics, having spent 21 years in the medical device industry including 8 years with Medtronic and 13 years with DePuy. Even though each of Messrs. Binder, Florin, Kashuba and Serbousek has been with us for less than two years, the members of our senior management team have an average tenure of 13 years with us. Overall, the members of our senior management team have an average tenure of 18 years in the medical device industry. Certain members of our management team made a contribution of new equity through cash equity contributions and/or rollover of existing equity interests in the Transactions.

Premier Equity Sponsorship. The Blackstone Group, Goldman Sachs Capital Partners, KKR and TPG are among the most well-known and respected financial sponsors in the world. The Sponsors have made investments in over 950 companies and collectively have more than $125 billion of assets under management. The Sponsors and the Co-Investors (as defined below) contributed approximately $5,387 million of equity in connection with the Transactions, representing 46% of the total funding for the Transactions, as part of one of the largest private equity investments in history. The Sponsors have considerable experience in the healthcare sector with investments in companies such as Accellent Inc., HCA Inc., IASIS Healthcare Corporation, Quintiles Transnational Corp., ReAble Therapeutics, Inc. and Vanguard Health Systems, Inc., among others.

Business Strategy

We intend to enhance our position as a leading orthopedic medical device company by pursuing the following strategic initiatives:

Continue to Develop and Launch New Products and Technologies. We plan to continue to aggressively develop new products, technologies and materials by leveraging our established research and development platform. While we have a strong engineering heritage, we recently have taken steps to enhance our research and development efforts, with the appointment of two global heads charged with coordinating research and development efforts across the organization, which should improve time to market and leverage best technologies and innovations available throughout all business segments and regions. We anticipate that our future research and development investment will be consistent with historical results as a percentage of net sales.

Enhance Surgeon Customer Relationships through Product Performance and Innovation. We intend to continue to meet the demanding needs of our surgeon customers and hospital customers by providing clinically superior and innovative products that offer a cost-effective means of treating patients. Our success has been built on responsiveness to the needs of the health care community, the outstanding clinical performance of our products and our ongoing commitment to continued product innovation.

Expand Our Global Reach. We intend to continue to increase the geographic presence of each of our business categories. There are considerable opportunities for global expansion as healthcare spending increases in international markets the United States and Canada together accounted for approximately 65% of the global orthopedic market in 2006, but only approximately 5% of the world s population. We particularly plan to focus on deepening our position in under-penetrated regions with attractive opportunities for growth, including Asia

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and Latin America, by deploying more resources to capture market opportunities, as well as by leveraging our established worldwide manufacturing facilities and sales force. We believe we can successfully grow our presence in these regions by differentiating ourselves as a provider with a comprehensive portfolio of leading musculoskeletal products.

Focus on Operational Efficiency. We have identified significant opportunities to streamline operations. The historically decentralized nature of our management and decision-making structure creates opportunities to improve operational efficiency as we centralize operations and increase focus, coordination and accountability throughout the organization. Plans include manufacturing footprint optimization, implementation of Six Sigma and Lean Manufacturing, procurement and offshoring initiatives, as well as reduction in overhead expenses. These initiatives will enable us to maximize asset utilization, optimize working capital and increase cash flow, as well as accelerate product development and enhance customer service.

Maximize Operating Cash Flow. We are focused on maximizing our operating cash flow. Over the last 20 years, we have consistently generated significant operating cash flow due to our business growth, strong operating margins and modest capital expenditure and other cash requirements. These solid business fundamentals will be supplemented by recently implemented initiatives to improve working capital, which historically has not been a focus area of management. In addition, we will benefit from identified cost savings as we enhance operational efficiencies. We plan to use available cash after capital expenditures to reduce leverage and strengthen our balance sheet.

Corporate Information

Biomet is incorporated in the state of Indiana. Our principal executive offices are located at 56 East Bell Drive, Warsaw, Indiana 46582. Our website address is www.biomet.com. The information on our website is not deemed to be part of this prospectus. For additional information, contact our Corporate Communications department at (574) 372-1514.

The Transactions

On December 18, 2006, we entered into an Agreement and Plan of Merger with LVB Acquisition, Inc., or Parent, and LVB Acquisition Merger Sub, Inc., or Purchaser, which agreement was amended and restated as of June 7, 2007 (as may be amended and restated, supplemented or otherwise modified from time to time, the Merger Agreement). Pursuant to the Merger Agreement, on June 13, 2007, Purchaser commenced a cash tender offer, or the Offer, to purchase all of our outstanding common shares, without par value, or the Shares, at a price of $46.00 per Share, or the Offer Price, without interest and less any required withholding taxes. The Offer was made pursuant to Purchaser s offer to purchase dated June 13, 2007 and the related letter of transmittal, each of which was filed with the SEC on June 13, 2007. The Offer expired at 12:00 midnight, New York City time, on July 11, 2007, with approximately 82% of the outstanding Shares having been tendered to Purchaser. At our special meeting of shareholders held on September 5, 2007, more than 91% of our shareholders voted to approve the Merger, and Parent acquired us on September 25, 2007 through a reverse subsidiary merger with Purchaser with Biomet, Inc. being the surviving company. Subsequent to the acquisition, we became a subsidiary of our Parent, which is controlled by LVB Acquisition Holding, LLC, or Holding, an entity controlled by the Sponsors and their Co-Investors.

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The Merger was completed on September 25, 2007 and was financed through:

- the proceeds from the initial offering of the original notes;
- initial borrowings under our senior secured credit facilities and our senior unsecured bridge facilities;
- equity investments funded by direct and indirect equity investments from certain investment funds associated with or designated by the Sponsors, or the Sponsor Funds, certain investors who have agreed to co-invest with the Sponsor Funds, including investment funds affiliated with certain of the initial purchasers of the original notes, or the Co-Investors, and certain of our executive officers and members of our senior management, or the Management Participants, who rolled over existing equity interests and/or made cash equity contributions; and
- our cash on hand.

On October 16, 2007, the borrowings under our senior unsecured cash pay bridge facility, our senior unsecured PIK-option bridge facility and our senior subordinated unsecured bridge facility were repaid with the proceeds from the follow-on offering of the equal amounts of the additional original senior cash pay notes, original senior toggle notes and original senior subordinated notes, respectively.

We refer to these transactions, including the Merger and our payment of any fees and expenses related to these transactions, collectively as the Transactions. See Description of Other Indebtedness for a description of our senior secured credit facilities.

In connection with the Transactions, we incurred significant indebtedness and became highly leveraged. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources. In addition, we allocated the purchase price to the fair value of the assets and liabilities of Biomet based on estimated fair value. The preliminary purchase accounting adjustments increased the carrying value of our property and equipment, inventory and established intangible assets (such as corporate and product names, core and completed technology, customer relationships), among other things. Subsequent to the Transactions, interest expense and non-cash depreciation and amortization charges have significantly increased. As a result, our successor financial statements subsequent to the Transactions are not comparable to our predecessor financial statements.

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Ownership and Corporate Structure

The following chart illustrates our ownership and corporate structure after giving effect to the Transactions.

(1) The guarantors provide unsecured guarantees of the original notes as well as guarantees of and pledges of assets under our senior secured cash flow facilities. The guarantors are co-borrowers and provide pledges of assets under our senior secured asset-based revolving credit facility. Holding guarantees and pledges its assets under our senior secured cash flow facilities and our senior secured asset-based revolving credit facility, in each case as described in more detail under Description of Other Indebtedness.

(2) On September 25, 2007, we entered into a $2,340 million U.S. dollar-denominated senior secured term loan facility and a 875 million (approximately $1,329 million) euro-denominated senior secured term loan facility, each with a seven and a half-year maturity. We borrowed the full amount available under our senior secured term loan facilities at the closing of the Transactions to pay a portion of the Transactions. In the third quarter of fiscal 2008, we repaid $6 million of outstanding loans under our U.S. dollar-denominated senior secured term loan facility and $3 million of outstanding loans under our euro-denominated senior secured term loan facility.

(3) On September 25, 2007, we entered into a $400 million senior secured cash flow revolving credit facility with a six-year maturity. We borrowed approximately $131 million under our senior secured cash flow revolving credit facility on or about the closing date of the Transactions to pay a portion of the Transactions. As of February 29, 2008, we had $74 million outstanding borrowings under our senior secured cash flow revolving credit facility.

(4) On September 25, 2007, we entered into a $350 million senior secured asset-based revolving credit facility with a six-year maturity. As of February 29, 2008, the borrowing base under our senior secured asset-based revolving credit facility was $350 million. As of February 29, 2008, we did not have any outstanding borrowings under our senior secured asset-based revolving credit facility.

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The Sponsors

The Blackstone Group

The Blackstone Group is a leading global alternative asset manager and provider of financial advisory services. Its alternative asset management businesses include the management of corporate private equity funds, real estate opportunity funds, funds of hedge funds, mezzanine funds, senior debt funds, proprietary hedge funds and closed-end mutual funds. The Blackstone Group also provides various financial advisory services, including mergers and acquisitions advisory, restructuring and reorganization advisory and fund placement services. Its website address is http://www.blackstone.com.

Goldman Sachs Capital Partners

Founded in 1869, Goldman, Sachs & Co. is one of the oldest and largest investment banking firms. Goldman Sachs is also a global leader in private corporate equity and mezzanine investing. Established in 1991, the Goldman Sachs Capital Partners family of funds is part of the firm s Principal Investment Area in the Merchant Banking Division. Goldman Sachs Principal Investment Area has formed 14 investment vehicles aggregating $72 billion of capital to date. Significant investments include: ARAMARK, Burger King, CVR Energy, Inc., Education Management Corporation, Hawker Beechcraft, HealthMarkets, Kabel Deutschland, Knight Inc. (formerly known as Kinder Morgan), Polo Ralph Lauren, Prysmian Cables & Systems, VoiceStream Wireless, and YES Network. GS Capital Partners VI is the current primary investment vehicle for Goldman Sachs to make large, privately negotiated equity investments.

KKR

Established in 1976, KKR is a leading global alternative asset manager. The core of the Firm s franchise is sponsoring and managing funds that make private equity investments in North America, Europe, and Asia. Throughout its history, KKR has brought a long-term investment approach to portfolio companies, focusing on working in partnership with management teams and investing for future competitiveness and growth. The Firm s sponsored funds include KKR Private Equity Investors, L.P. (Euronext Amsterdam: KPE), a permanent capital fund that invests in KKR-identified investments; and two credit strategy funds, KKR Financial (NYSE: KFN) and the KKR Strategic Capital Funds, which make investments in debt transactions. KKR has offices in New York, Menlo Park, San Francisco, London, Paris, Hong Kong, Tokyo, Sydney and Beijing.

TPG Capital

TPG Capital is the global buyout group of TPG, a leading private investment firm founded in 1992, with more than $50 billion of assets under management and offices in San Francisco, London, Hong Kong, New York, Minneapolis, Fort Worth, Melbourne, Menlo Park, Moscow, Mumbai, Beijing, Shanghai, Singapore and Tokyo. TPG Capital has extensive experience with global public and private investments executed through leveraged buyouts, recapitalizations, spinouts, joint ventures and restructurings. TPG Capital s investments span a variety of industries including healthcare, retail/consumer, travel, media and communications, industrials, technology and financial services. Please visit www.tpg.com.

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The Exchange Offers

On September 25, 2007 and October 16, 2007, we completed private offerings of our original notes. We entered into registration rights agreements with the initial purchasers in the private offerings in which we agreed, among other things, to file the registration statement of which this prospectus is a part. The following is a summary of the exchange offers.

Original Notes

On September 25, 2007, we issued:

- $718,758,000 aggregate principal amount of 10% Senior Notes due 2017;
- $688,758,000 aggregate principal amount of 10 3/8%/11 1/8% Senior Toggle Notes due 2017; and
- $940,698,000 aggregate principal amount of 11 5/8% Senior Subordinated Notes due 2017.

On October 16, 2007, we issued:

- $56,242,000 aggregate principal amount of 10% Senior Notes due 2017;
- $86,242,000 aggregate principal amount of 10 3/8%/11 1/8% Senior Toggle Notes due 2017; and
- $74,302,000 aggregate principal amount of 11 5/8% Senior Subordinated Notes due 2017;

the proceeds of which were used to repay in full our senior unsecured bridge facilities.

Notes Offered

Senior Exchange Cash Pay Notes

10% Senior Notes due 2017. The terms of the senior exchange cash pay notes are substantially identical to those terms of the original senior cash pay notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the original notes do not apply to the exchange notes. We refer to the senior exchange cash pay notes and the original senior cash pay notes collectively as the senior cash pay notes.

Senior Exchange Toggle Notes

10 3/8%/11 1/8% Senior Toggle Notes due 2017. The terms of the senior exchange toggle notes are substantially identical to those terms of the original senior toggle notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the original notes do not apply to the exchange notes. We refer to the senior exchange toggle notes and the original senior toggle notes collectively as the senior toggle notes. We refer to the senior exchange cash pay notes and the senior exchange

toggle notes as the senior exchange notes. We refer to the senior cash pay notes and the senior toggle notes collectively as the senior notes.

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Senior Subordinated Exchange Notes	11 5/8% Senior Subordinated Notes due 2017. The terms of the senior subordinated exchange notes are substantially identical to those terms of the original senior subordinated exchange notes, except that the transfer restrictions, registration rights and provisions for additional interest relating to the original notes do not apply to the exchange notes. We refer to the senior subordinated exchange notes and the original senior subordinated notes collectively as the senior subordinated notes.

We refer to the original senior cash pay notes, the original senior toggle notes and the original senior subordinated notes collectively as the original notes, the senior exchange cash pay notes, the senior exchange toggle notes and the senior subordinated exchange notes collectively as the exchange notes, and the original notes and the exchange notes collectively as the notes.

Exchange Offers

We are offering to exchange:

- up to $775 million principal amount of our senior exchange cash pay notes that have been registered under the Securities Act, for an equal amount of our original senior cash pay notes;
- up to $775 million principal amount of our senior exchange toggle notes that have been registered under the Securities Act, for an equal amount of our original senior toggle notes; and
- up to $1,015 million principal amount of our senior subordinated exchange notes that have been registered under the Securities Act, for an equal amount of our original senior subordinated notes.

We are also offering to satisfy certain of our obligations under the registration rights agreements that we entered into when we issued the original notes in transactions exempt from registration under the Securities Act.

Expiration Date

The exchange offers will expire at 5:00 p.m., New York City time, on , 2008, unless we decide to extend it. We do not currently intend to extend the expiration date.

Conditions to the Exchange Offers

The registration rights agreements do not require us to accept original notes for exchange if the exchange offers or the making of any exchange by a holder of the original notes would violate any applicable law or interpretation of the staff of the SEC or if any legal action has been instituted or threatened that would impair our ability to proceed with the exchange offers. A minimum aggregate principal amount of original notes being tendered is not a condition to the exchange offers. Please read Exchange Offers Conditions to the Exchange Offers for more information about the conditions to the exchange offers.

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Procedures for Tendering Original Notes

To participate in these exchange offers, you must properly complete and duly execute a letter of transmittal, which accompanies this prospectus, and transmit it, along with all other documents required by such letter of transmittal, to the exchange agent on or before the expiration date at the address provided on the cover page of the letter of transmittal. In the alternative, you can tender your original notes by following the automatic tender offer program, or ATOP, procedures established by The Depository Trust Company, or DTC, for tendering notes held in book-entry form, as described in this prospectus, whereby you will agree to be bound by the letter of transmittal and we may enforce the letter of transmittal against you.

If a holder of original notes desires to tender such notes and the holder s original notes are not immediately available, or time will not permit the holder s original notes or other required documents to reach the exchange agent before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, a tender may be effected pursuant to the guaranteed delivery procedures described in this prospectus.

For more details, please read Exchange Offers Procedures for Tendering, Exchange Offers Book-Entry Transfer and Exchange Offers Guaranteed Delivery Procedures.

Special Procedures for Beneficial Owners

If you are a beneficial owner of original notes that are registered in the name of a broker, dealer, commercial bank, trust company or other nominee, and you wish to tender those original notes in the exchange offers, you should contact the registered holder promptly and instruct the registered holder to tender those original notes on your behalf. If you wish to tender on your own behalf, you must, prior to completing and executing the letter of transmittal and delivering your original notes, either make appropriate arrangements to register ownership of the original notes in your name or obtain a properly completed bond power from the registered holder. The transfer of registered ownership may take considerable time and may not be able to be completed prior to the expiration date.

Withdrawal of Tenders

You may withdraw your tender of original notes at any time prior to the expiration date. To withdraw, you must submit a written notice of withdrawal to the exchange agent before 5:00 p.m., New York City time, on the expiration date of the exchange offers. Please read Exchange Offers Withdrawal of Tenders.

Fees and Expenses

We will bear all expenses related to the exchange offers. Please read Exchange Offers Fees and Expenses.

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Use of Proceeds	The issuance of the exchange notes will not provide us with any new proceeds. We are making the exchange offers solely to satisfy certain of our obligations under our registration rights agreements.
Consequences of Failure to Exchange Original Notes	If you do not exchange your original notes in the exchange offers, you will no longer be able to require us to register the original notes under the Securities Act, except in the limited circumstances provided under our registration rights agreements. In addition, you will not be able to resell, offer to resell or otherwise transfer the original notes unless we have registered the original notes under the Securities Act, or unless you resell, offer to resell or otherwise transfer them under an exemption from the registration requirements of, or in a transaction not subject to, the Securities Act.
U.S. Federal Income Tax Considerations	Neither the registration of the original notes pursuant to our obligations under the registration rights agreements nor the U.S. Holder s receipt of exchange notes in exchange for original notes will constitute a taxable event for U.S. federal income tax purposes. Please read Certain Material United States Federal Income Tax Considerations.
Exchange Agent	We have appointed Wells Fargo Bank, N.A. as the exchange agent for the exchange offers. You should direct questions and requests for assistance and requests for additional copies of this prospectus (including the letter of transmittal) to the exchange agent at the following address:

By Registered and Certified Mail:

Wells Fargo Bank, N.A.

Corporate Trust Operations
MAC N9303-121
P.O. Box 1517
Minneapolis, MN 55480

By Overnight Courier or Regular Mail:

Wells Fargo Bank, N.A.

Corporate Trust Operations
MAC N9303-121
6th & Marquette Avenue
Minneapolis, MN 55479

By Hand Delivery:

Wells Fargo Bank, N.A.

Corporate Trust Services
608 2nd Avenue South
Northstar East Building 12th Floor
Minneapolis, MN 55402

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By Facsimile Transmission:

(612) 667-6282

Confirm by Telephone:

(800) 344-5128

Resales of the exchange notes

Based on interpretations of the staff of the SEC, we believe that you may offer for sale, resell or otherwise transfer the exchange notes that we issue in the exchange offers without complying with the registration and prospectus delivery requirements of the Securities Act if:

- you are not a broker-dealer tendering notes acquired directly from us;
- you acquire the exchange notes issued in the exchange offers in the ordinary course of your business;
- you are not participating, do not intend to participate, and have no arrangement or undertaking with anyone to participate, in the distribution of the exchange notes issued to you in the exchange offers; and
- you are not an affiliate of our company, as that term is defined in Rule 405 of the Securities Act.

If any of these conditions are not satisfied and you transfer any exchange notes issued to you in the exchange offers without delivering a proper prospectus or without qualifying for a registration exemption, you may incur liability under the Securities Act. We will not be responsible for, or indemnify you against, any liability you incur.

Any broker-dealer that acquires exchange notes in the exchange offers for its own account in exchange for original notes which it acquired through market-making or other trading activities must acknowledge that it will deliver this prospectus when it resells or transfers any exchange notes issued in the exchange offers. See Plan of Distribution for a description of the prospectus delivery obligations of broker-dealers.

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The Exchange Notes

Issuer	Biomet, Inc.
Notes Offered	
Senior Exchange Cash Pay Notes	Up to $775 million in aggregate principal amount of 10% Senior Notes due 2017. The senior exchange cash pay notes and the original senior cash pay notes will be considered to be a single class for all purposes under the senior indenture, including waivers, amendments, redemptions and offers to purchase.
Senior Exchange Toggle Notes	Up to $775 million in aggregate principal amount of 10 3/8%/11 1/8% Senior Toggle Notes due 2017. The senior exchange toggle notes and the original senior toggle notes will be considered to be a single class for all purposes under the senior indenture, including waivers, amendments, redemptions and offers to purchase.
Senior Subordinated Exchange Notes	Up to $1,015 million in aggregate principal amount of 11 5/8% Senior Subordinated Notes due 2017. The senior subordinated exchange notes and the original senior subordinated notes will be considered to be a single class for all purposes under the senior subordinated indenture, including waivers, amendments, redemptions and offers to purchase.
Maturity Dates	The exchange notes will mature on October 15, 2017.
Interest Rate	Interest on the senior exchange cash pay notes will be payable in cash and will accrue at a rate of 10% per annum.

Cash interest on the senior exchange toggle notes will accrue at a rate of 10 3/8% per annum, and PIK interest will accrue at a rate of 11 1/8% per annum. The initial interest payment on the senior exchange toggle notes will be payable in cash. For any interest period thereafter through October 15, 2012, we may elect to pay interest on the senior exchange toggle notes (1) entirely in cash, (2) entirely by increasing the principal amount of the toggle notes or issuing new toggle notes, or PIK interest, or (3) 50% in cash interest and 50% in PIK interest. After October 15, 2012, all interest on the senior exchange toggle notes will be payable in cash. If we elect to pay PIK interest, we will increase the principal amount of the senior exchange toggle notes or issue senior toggle notes in an amount equal to the amount of PIK interest for the applicable interest payment period to holders of the senior exchange toggle notes on the relevant record date.

Interest on the senior subordinated exchange notes will be payable in cash and will accrue at a rate of 11 5/8% per annum.

Interest Payment Dates	April 15 and October 15, commencing April 15, 2008.

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Guarantees

Each of our existing and future wholly-owned domestic restricted subsidiaries will jointly, severally and unconditionally guarantee the senior exchange notes on a senior unsecured basis and the senior subordinated exchange notes on a senior subordinated unsecured basis, in each case to the extent such subsidiaries guarantee our senior secured cash flow facilities.

Ranking

The senior exchange notes and the related guarantees will be our and the guarantors general unsecured senior indebtedness and will:

- rank equally in right of payment to all of our and the guarantors existing and future indebtedness and other obligations that are not, by their terms, expressly subordinated in right of payment to the senior exchange notes and the related guarantees (including borrowings under our senior secured credit facilities);
- be senior in right of payment to any of our and the guarantors existing and future senior subordinated and subordinated indebtedness and other obligations (including the senior subordinated exchange notes and the related guarantees) that are, by their terms, expressly subordinated in right of payment to the senior exchange notes and the related guarantees; and
- be effectively subordinated to all of our and the subsidiary guarantors existing and future senior secured indebtedness and other obligations (including borrowings under our senior secured credit facilities) to the extent of the value of the assets securing such indebtedness and other obligations.

The senior subordinated exchange notes and the related guarantees will be our and the guarantors general unsecured senior subordinated indebtedness and will:

- rank junior in right of payment to any of our and the guarantors existing and future senior indebtedness and other obligations (including the senior exchange notes and the related guarantees and borrowings under our senior secured credit facilities);
- rank equally in right of payment to all of our and the guarantors existing and future senior subordinated indebtedness and other obligations; and
- be senior in right of payment to any of our and the guarantors existing and future subordinated indebtedness and other obligations that are, by their terms, expressly subordinated in right of payment to the senior subordinated exchange notes and the related guarantees.

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As of February 29, 2008, on a pro forma basis after giving effect to the Transactions, we and the guarantors would have had $3,733 million of senior secured indebtedness outstanding, consisting of borrowings and the related guarantees under our senior secured credit facilities. As of February 29, 2008, we also had:

- an additional approximately $326 million of borrowing capacity under our senior secured cash flow revolving facility, which, if borrowed, would be senior secured indebtedness;
- an additional $350 million available for borrowing under our senior secured asset-based revolving credit facility, subject to borrowing base limitations, which, if borrowed, would be senior secured indebtedness;
- the option to raise incremental term loans or increase the cash flow revolving credit facility commitments under our senior secured cash flow facilities of up to an amount that would cause our Senior Secured Leverage Ratio (as defined in our senior secured cash flow facilities) to be equal to or less than 4.50 to 1.00, which, if borrowed, would be senior secured indebtedness; and
- the option to increase the asset-based revolving credit facility commitments under our senior secured asset-based revolving credit facility by up to $100 million, which, if borrowed, would be senior secured indebtedness.

Optional Redemption

We may redeem the exchange notes, in whole or in part, at any time prior to October 15, 2012 at a price equal to 100% of the aggregate principal amount of the exchange notes plus the applicable make whole premium as described in Description of Senior Exchange Notes Optional Redemption or in Description of Senior Subordinated Exchange Notes Optional Redemption, plus accrued and unpaid interest, if any, to the applicable redemption date.

We may redeem the exchange notes, in whole or in part, at any time on or after October 15, 2012, at the applicable redemption price specified in Description of Senior Exchange Notes Optional Redemption or in Description of Senior Subordinated Exchange Notes Optional Redemption, in each case, plus accrued and unpaid interest, if any, to the applicable redemption date.

In addition, we may redeem up to 35% aggregate principal amount of the exchange notes at any time prior to October 15, 2010, with the net cash proceeds from certain equity offerings at the applicable redemption price specified in Description of Senior Exchange Notes Optional Redemption or in Description of Senior Subordinated Exchange Notes Optional Redemption, in each case, plus accrued and unpaid interest, if any, to the applicable redemption date.

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Change of Control	If we experience specific kinds of changes of control, we must offer to repurchase all of the notes at 101% of their principal amount, plus accrued and unpaid interest, if any, to the repurchase date.
Certain Covenants	The indentures governing the exchange notes, among other things, limit our ability and the ability of our subsidiaries to: • incur or guarantee additional indebtedness; • incur liens; • pay dividends on or make distributions in respect of our capital stock or make other restricted payments; • make investments; • consolidate, merge, sell or otherwise dispose of certain assets; and • enter into transactions with our affiliates. These covenants are subject to important exceptions, limitations and qualifications as described in Description of Senior Exchange Notes Certain Covenants and Description of Senior Subordinated Exchange Notes Certain Covenants.
Risk Factors	See Risk Factors and the other information in this prospectus for a discussion of some of the factors you should carefully consider before participating in the exchange offers.

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Summary Historical Consolidated and

Unaudited Pro Forma Condensed Consolidated Financial and Other Data

The following table presents our summary historical and *pro forma* financial information as of and for the periods presented. The summary historical financial information as of May 31, 2006 and 2007 and for each of the years in the three-year period ended May 31, 2007 have been derived from, and should be read in conjunction with, our audited financial statements included elsewhere in this prospectus. The summary historical financial information as of May 31, 2005 has been derived from our audited financial statements not included in this prospectus. The unaudited summary historical financial information as of and for the nine months ended February 28, 2007 and as of February 29, 2008 and for the period from June 1, 2007 through July 11, 2007 and for the period from July 12, 2007 through February 29, 2008 are derived from, and should be read in conjunction with, our unaudited condensed consolidated financial statements included elsewhere in this prospectus, and, except as otherwise described herein, have been prepared on a basis consistent with our annual audited financial statements and, in the opinion of management, include all adjustments consisting of normal recurring accruals considered necessary for a fair presentation of such data. Certain amounts recorded in previous periods have been reclassified to conform to the current presentation.

The Offer for Biomet s Shares was completed successfully on July 11, 2007. Although Biomet continues as the same legal entity after the Merger, Holding s cost of acquiring Biomet has been pushed-down to establish a new accounting basis for Biomet. Accordingly, the financial information in the table below for the nine months ended February 29, 2008 is presented separately for the period prior to the completion of the Offer (from June 1, 2007 through July 11, 2007, the Predecessor or Predecessor Period) and the period after the completion of the Offer (from July 12, 2007 through February 29, 2008, the Successor or Successor Period), which relate to the accounting periods preceding and succeeding the completion of the Offer. The summary financial information as of February 29, 2008 and for the Successor Period are not comparative to the summary financial information as of and for the nine months ended February 28, 2007 because of the new basis of accounting resulting from the Merger. Our results of operations for the Predecessor Period and the Successor Period should not be considered representative of our future results of operations.

In addition, as noted in Note B of Notes to Consolidated Financial Statements included elsewhere in this prospectus, the summary historical financial information as of and for the year ended May 31, 2007 has been prepared on the basis of an April 30 fiscal year for our foreign subsidiaries for financial reporting purposes. Subsequent to the completion of the Offer, we eliminated this one-month lag at our foreign subsidiaries, and therefore, the summary historical financial information as of and for the year ended May 31, 2007 is not comparative to the summary financial information as of and for the Successor Period due to the elimination of this one-month lag for financial purposes at our foreign subsidiaries.

The summary unaudited pro forma condensed consolidated statements of operations for the year ended May 31, 2007 is based on our audited financial statements appearing elsewhere in this prospectus and gives effect to the Transactions as if they had occurred on June 1, 2006. The summary unaudited pro forma condensed consolidated statements of operations for the nine months ended February 29, 2008 is based on our unaudited condensed consolidated financial statements included elsewhere in this prospectus and gives effect to the Transactions as if they had occurred on June 1, 2006. See The Transactions. The unaudited pro forma condensed consolidated statements of operations should not be considered representative of our future results of operations.

Please refer to Unaudited Pro Forma Condensed Consolidated Financial Data, Selected Historical Consolidated Financial and Other Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and notes thereto included elsewhere in this prospectus. The

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audited consolidated financial statements for each of the years in the three-year period ended May 31, 2007 have been audited by Ernst & Young LLP, an independent registered public accounting firm.

As a result of the report from the special committee formed by our Board of Directors, or the Special Committee, to conduct an independent investigation of our past stock option grant practices, and based on the determinations of our Audit Committee, we have restated our consolidated balance sheets as of May 31, 2005 and 2006 and the consolidated statements of operations for the fiscal years ended May 31, 2005 and 2006 to reflect the impact of additional share-based compensation expense and other adjustments described in our Amended Annual Report on Form 10-K/A, which was filed with the SEC on May 29, 2007.

	Historical						Pro Forma	
	Predecessor					Successor		
($ in millions)	Fiscal Year Ended May 31, 2005	2006	2007	Nine Months Ended February 28, 2007 (unaudited)	June 1, 2007 through July 11, 2007 (unaudited)	July 12, 2007 through February 29, 2008 (unaudited)	Fiscal Year Ended May 31, 2007 (unaudited)	Nine Months Ended February 29, 2008 (unaudited)
Statements of Operations Data:								
Net sales	$ 1,880	$ 2,026	$ 2,107	$ 1,558	$ 249	$ 1,499	$ 2,107	$ 1,748
Cost of sales	533	582	642	454	102	614	650	530
Gross margin	1,347	1,444	1,465	1,104	147	885	1,457	1,218
Selling, general and administrative expense	697	750	881	592	194	834	889	675
Research and development expense	80	85	94	71	34	59	94	69
In-process research and development	26					479		
Amortization				6	1	227	362	268
Operating income (loss)	544	609	490	435	(82)	(713)	112	206
Other income (loss), net	11	14	21	17		(1)	6	(1)
Interest expense	(9)	(12)	(9)	(9)		(372)	(594)	(445)
Income (loss) before income taxes	546	611	502	443	(82)	(1,086)	(476)	(240)
Provision (benefit) for income taxes	197	205	166	149	(27)	(213)	(190)	(102)
Net income (loss)	$ 349	$ 406	$ 336	$ 294	$ (55)	$ (873)	$ (286)	$ (138)

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($ in millions)	Historical Predecessor Fiscal Year Ended May 31, 2005	2006	2007	Nine Months Ended February 28, 2007 (unaudited)	Successor Nine Months Ended February 29, 2008 (unaudited)
Balance Sheet Data (at period end):					
Cash and cash equivalents	$ 91	$ 126	$ 105	$ 126	$ 97
Total current assets	1,192	1,299	1,452	1,373	1,421
Total assets	2,115	2,283	2,458	2,358	13,602
Short-term borrowings	282	277	82	100	42
Total current liabilities	515	518	346	346	608
Total liabilities	546	563	409	374	9,156
Total shareholders equity	1,569	1,720	2,049	1,984	4,446

($ in millions, except ratios)	Historical Predecessor Fiscal Year Ended May 31, 2005	2006	2007	Nine Months Ended February 28, 2007 (unaudited)	June 1, 2007 through July 11, 2007 (unaudited)	Successor July 12, 2007 through February 29, 2008 (unaudited)
Statements of Cash Flows Data:						
Net cash (used in) provided by:						
Operating activities	$ 411	$ 413	$ 440	$ 295	$ 60	$ 84
Investing activities	(301)	(121)	(214)	(56)	11	(11,708)
Financing activities	(98)	(258)	(251)	(239)	1	11,532
Other Financial Data:						
Depreciation and amortization	$ 70	$ 82	$ 97	$ 69	$ 9	$ 315
Capital expenditures	(97)	(109)	(143)	(89)	(22)	(129)
Ratio of earnings to fixed charges(1)	61.7x	51.9x	56.8x	52.6x		

(1) For purposes of computing the ratio of earnings to fixed charges, earnings consist of operating income plus other income plus cash dividends received from equity interests, less the equity income recorded. Fixed charges consist of interest expense, including amortization of debt issuance costs and interest capitalized. The interest portion of rental expense is not significant. On a pro forma basis, earnings were inadequate to cover fixed charges for fiscal 2007, and the period from July 12, 2007 through February 29, 2008 by $478 million and $430 million, respectively. Earnings were also inadequate to cover fixed charges for the period from June 1, 2007 through July 11, 2007 by $82 million.

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RISK FACTORS

You should carefully consider the risks described below before participating in the exchange offers. The risks described below are not the only ones facing our company. Additional risks and uncertainties not currently known to us or that we currently deem to be immaterial may also materially and adversely affect our business or results of operations in the future. Any of the following risks could materially adversely affect our business, financial condition or results of operations. In such case, you may lose all or part of your original investment in the notes.

Risks Related to the Exchange Offers

You may have difficulty selling the original notes that you do not exchange.

If you do not exchange your original notes for exchange notes in the exchange offers, you will continue to be subject to the restrictions on transfer of your original notes described in the legend on your original notes. The restrictions on transfer of your original notes arise because we issued the original notes under exemptions from, or in transactions not subject to, the registration requirements of the Securities Act and applicable state securities laws. In general, you may only offer or sell the original notes if they are registered under the Securities Act and applicable state securities laws, or offered and sold under an exemption from these requirements. Except as required by the registration rights agreements, we do not intend to register the original notes under the Securities Act. The tender of original notes under the exchange offers will reduce the principal amount of the currently outstanding original notes. Due to the corresponding reduction in liquidity, this may have an adverse effect upon, and increase the volatility of, the market price of any currently outstanding original notes that you continue to hold following completion of the exchange offers. See The Exchange Offers Consequences of Exchanging or Failing to Exchange Original Notes.

There is no public market for the exchange notes, and we do not know if a market will ever develop or, if a market does develop, whether it will be sustained.

The exchange notes are a new issue of securities for which there is no existing trading market. Accordingly, we cannot assure you that a liquid market will develop for the exchange notes, that you will be able to sell your exchange notes at a particular time or that the prices that you receive when you sell the exchange notes will be favorable.

We do not intend to apply for listing or quotation of the notes on any securities exchange or automated quotation system, although our original notes trade on the PORTAL Market. The liquidity of any market for the exchange notes will depend on a number of factors, including:

- the number of holders of exchange notes;
- our operating performance and financial condition;
- our ability to complete the offer to exchange the original notes for the exchange notes;
- the market for similar securities;
- the interest of securities dealers in making a market in the exchange notes; and
- prevailing interest rates.

We understand that one or more of the initial purchasers of the original notes presently intend to make a market in the exchange notes. However, they are not obligated to do so, and any market-making activity with respect to the exchange notes may be discontinued at any time without notice. In addition, any market-making activity will be subject to the limits imposed by the Securities Act and the Exchange Act and may be limited during the exchange offer or the pendency of an applicable shelf registration statement. There can be no assurance that an active trading market will exist for the exchange notes or that any trading market that does develop will be liquid.

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You must comply with the exchange offers procedures in order to receive new, freely tradable exchange notes.

Delivery of exchange notes in exchange for original notes tendered and accepted for exchange pursuant to the exchange offers will be made only after timely receipt by the exchange agent of book-entry transfer of original notes into the exchange agent s account at DTC, as depositary, including an agent s message (as defined herein). We are not required to notify you of defects or irregularities in tenders of original notes for exchange. Original notes that are not tendered or that are tendered but we do not accept for exchange will, following consummation of the exchange offers, continue to be subject to the existing transfer restrictions under the Securities Act and, upon consummation of the exchange offers, certain registration and other rights under the registration rights agreements will terminate. See The Exchange Offers Procedures for Tendering and The Exchange Offers Effect of Not Tendering.

Some holders who exchange their original notes may be deemed to be underwriters, and these holders will be required to comply with the registration and prospectus delivery requirements in connection with any resale transaction.

If you exchange your original notes in the exchange offers for the purpose of participating in a distribution of the exchange notes, you may be deemed to have received restricted securities and, if so, will be required to comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Risks Related to Our Indebtedness and the Notes

Our substantial level of indebtedness could materially adversely affect our ability to generate sufficient cash to fulfill our obligations under the notes, our ability to react to changes in our business and our ability to incur additional indebtedness to fund future needs.

We are highly leveraged. As of February 29, 2008, we had total indebtedness of approximately $6,309 million. The following chart shows our level of indebtedness as of February 29, 2008:

($ in millions)	
European line of credit	$ 5
Japanese lines of credit	
Senior secured term loan facilities	3,659
Senior secured cash flow revolving credit facility	74
Senior secured asset-based revolving credit facility	
Senior cash pay notes	775
Senior toggle notes	775
Senior subordinated notes	1,015
Premium on debt	6
Total	$ 6,309

On a pro forma basis after giving effect to the Transactions, our cash interest expense, net for fiscal 2007 would have been $584 million. As of February 29, 2008, we had outstanding approximately $3,733 million in aggregate principal amount of indebtedness under our senior secured credit facilities that would bear interest at a floating rate. Purchaser entered into a series of interest rate swap agreements to fix the interest rates on approximately 56% of the borrowings under our senior secured credit facilities. See Management s Discussion and Analysis of Financial Condition and Results of Operations Quantitative and Qualitative Disclosures about Market Risk Interest Rate Risk. An increase of 0.125% in these floating rates would increase our annual interest expense on the borrowings that are not subject to the interest rate swap agreements by approximately $2 million. See Unaudited Pro Forma Condensed Consolidated Financial Data.

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Our substantial level of indebtedness increases the possibility that we may be unable to generate cash sufficient to pay, when due, the principal of, interest on or other amounts due in respect of our indebtedness. Our substantial indebtedness, combined with our other financial obligations and contractual commitments, could have important consequences for our noteholders. For example, it could:

- make it more difficult for us to satisfy our obligations with respect to our indebtedness, including the notes, and any failure to comply with the obligations under any of our debt instruments, including restrictive covenants, could result in an event of default under the indentures governing the notes and the agreements governing such other indebtedness;
- require us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing funds available for working capital, capital expenditures, acquisitions, research and development and other purposes;
- increase our vulnerability to adverse economic and industry conditions, which could place us at a competitive disadvantage compared to our competitors that have relatively less indebtedness;
- limit our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate;
- limit our noteholders rights to receive payments under the notes if secured creditors have not been paid;
- limit our ability to borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions, research and development and other corporate purposes; and
- prevent us from raising the funds necessary to repurchase all notes tendered to us upon the occurrence of certain changes of control, which would constitute a default under the indentures governing the notes.

Restrictions imposed by the indentures governing the notes, our senior secured credit facilities and our other outstanding indebtedness may limit our ability to operate our business and to finance our future operations or capital needs or to engage in other business activities.

The terms of our senior secured credit facilities and the indentures governing the notes restrict us and our subsidiaries from engaging in specified types of transactions. These covenants restrict our and our restricted subsidiaries ability, among other things, to:

- incur additional indebtedness;
- pay dividends on our capital stock or redeem, repurchase or retire our capital stock or indebtedness;
- make investments, loans, advances and acquisitions;
- create restrictions on the payment of dividends or other amounts to us from our restricted subsidiaries;
- engage in transactions with our affiliates;

sell assets, including capital stock of our subsidiaries;

consolidate or merge;

create liens; and

enter into sale and lease-back transactions.

In addition, although the agreements governing our senior secured credit facilities and the indentures governing the notes do not require us to comply with any financial ratio maintenance covenants, if less than $35 million (plus 10% of any increased commitments thereunder) were available under our senior secured asset-based revolving credit facility at any time, we would not be permitted to borrow any additional amounts under

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our senior secured asset-based revolving credit facility unless we maintain a certain pro forma ratio of (a) Consolidated EBITDA minus Capital Expenditures minus Cash Taxes to (b) Consolidated Fixed Charges (as such terms are defined in our senior secured asset-based revolving credit facility). In the event of a default under any of our senior secured credit facilities, the lenders could elect to declare all amounts outstanding under the agreements governing our senior secured credit facilities to be immediately due and payable. If the indebtedness under our senior secured credit facilities or the notes were to be accelerated, our assets may not be sufficient to repay such indebtedness in full. In particular, noteholders will be paid only if we have assets remaining after we pay amounts due on our secured indebtedness, including our senior secured credit facilities. See Description of Other Indebtedness.

We, including our subsidiaries, will have the ability to incur substantially more indebtedness, including senior secured indebtedness.

Subject to the restrictions in our senior secured credit facilities and the indentures governing the notes, we, including our subsidiaries, may incur significant additional indebtedness. As of February 29, 2008:

- we and the guarantors had approximately $326 million available for borrowing under our senior secured cash flow revolving credit facility, which, if borrowed, would be senior secured indebtedness;
- we and the guarantors had $350 million available for borrowing under our senior secured asset-based revolving credit facility, subject to borrowing base limitations, which, if borrowed, would be senior secured indebtedness;
- we and the guarantors have the option to incur additional incremental term loans or increase the cash flow revolving credit facility commitments under our senior secured cash flow facilities of up to an amount that would cause our Senior Secured Leverage Ratio (as defined in our senior secured cash flow facilities) to be equal to or less than 4.50 to 1.00, which, if borrowed, would be senior secured indebtedness;
- we and the guarantors have the option to increase the asset-based revolving credit facility commitments under our senior secured asset-based revolving credit facility by up to $100 million, which, if borrowed, would be senior secured indebtedness; and
- we and the guarantors have $171 million available for borrowing under our European line of credit and Japanese lines of credit.

In addition, under the senior toggle notes, we have the option to elect to pay PIK interest for five years after the closing date for any interest period other than the initial interest period. In the event we make a PIK interest election in each period in which we are entitled to make such an election, our debt will increase by the amount of such interest.

Although the terms of our senior secured credit facilities and the indentures governing the notes contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of important exceptions, and indebtedness incurred in compliance with these restrictions could be substantial. If we and our restricted subsidiaries incur significant additional indebtedness, the related risks that we face could intensify.

We may not be able to generate sufficient cash to service all of our indebtedness, including the notes, and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which is subject to prevailing economic and competitive conditions and to certain financial, business and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and interest on our indebtedness, including the notes.

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If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments and capital expenditures, or to sell assets, seek additional capital or restructure or refinance our indebtedness, including the notes. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments and the indentures governing the notes may restrict us from adopting some of these alternatives. In addition, any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness. In the absence of such operating results and resources, we could face substantial liquidity problems and might be required to dispose of material assets or operations to meet our debt service and other obligations. Our senior secured credit facilities and the indentures governing the notes restrict our ability to dispose of assets and use the proceeds from the disposition. We may not be able to consummate those dispositions or to obtain the proceeds that we could realize from them and these proceeds may not be adequate to meet any debt service obligations then due. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations.

Your right to receive payments on each series of notes is effectively junior to the right of lenders who have a security interest in our assets to the extent of the value of those assets.

Our obligations under the notes and our guarantors obligations under their guarantees of the notes are unsecured, but our obligations under our senior secured credit facilities and each guarantor s obligations under its guarantee of our senior secured credit facilities are secured by a security interest in substantially all of our domestic tangible and intangible assets, including the stock of substantially all of our wholly-owned U.S. subsidiaries and a portion of the stock of certain of our non-U.S. subsidiaries. If we are declared bankrupt or insolvent, or if we default under our senior secured credit facilities, the lenders could declare all of the funds borrowed thereunder, together with accrued interest, immediately due and payable. If we were unable to repay such indebtedness, the lenders could foreclose on the pledged assets to the exclusion of holders of the notes, even if an event of default exists under the indentures governing the notes at such time. Furthermore, if the lenders foreclose and sell the pledged equity interests in any guarantor under the notes, then that guarantor will be released from its guarantee of the notes automatically and immediately upon such sale. In any such event, because the notes are not secured by any of our assets or the equity interests in the guarantors, it is possible that there would be no assets remaining from which your claims could be satisfied or, if any assets remained, they might be insufficient to satisfy your claims in full. See Description of Other Indebtedness.

As of February 29, 2008, we had:

- an additional approximately $326 million of borrowing capacity under our senior secured cash flow revolving facility, which, if borrowed, would be senior secured indebtedness;
- an additional $350 million available for borrowing under our senior secured asset-based revolving credit facility, subject to borrowing base limitations, which, if borrowed, would be senior secured indebtedness;
- the option to incur additional incremental term loans or increase the cash flow revolving credit facility commitments under our senior secured cash flow facilities of up to an amount that would cause our Senior Secured Leverage Ratio (as defined in our senior secured cash flow facilities) to be equal to or less than 4.50 to 1.00, which, if borrowed, would be senior secured indebtedness; and
- the option to increase the senior secured asset-based revolving credit facility commitments under our senior secured asset-based revolving credit facility by up to $100 million, which, if borrowed, would be senior secured indebtedness.

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Repayment of our debt, including the notes, is dependent on cash flow generated by our subsidiaries.

Our subsidiaries own a significant portion of our assets and conduct a significant portion of our operations. Accordingly, repayment of our indebtedness, including the notes, is dependent, to a significant extent, on the generation of cash flow by our subsidiaries and their ability to make such cash available to us, by dividend, debt repayment or otherwise. Unless they are guarantors of the notes, our subsidiaries do not have any obligation to pay amounts due on the notes or to make funds available for that purpose. Our subsidiaries may not be able to, or may not be permitted to, make distributions to enable us to make payments in respect of our indebtedness, including the notes. Each subsidiary is a distinct legal entity and, under certain circumstances, legal and contractual restrictions may limit our ability to obtain cash from our subsidiaries. While the indentures governing the notes limit the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to certain qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness, including the notes.

Claims of noteholders will be structurally subordinated to claims of creditors of all our non-U.S. subsidiaries and some of our U.S. subsidiaries because they will not guarantee the notes.

The notes are not guaranteed by any of our non-U.S. subsidiaries or any of our less than wholly-owned U.S. subsidiaries. Accordingly, claims of holders of the notes will be structurally subordinated to the claims of creditors of these non-guarantor subsidiaries, including trade creditors. All obligations of our non-guarantor subsidiaries will have to be satisfied before any of the assets of such subsidiaries would be available for distribution, upon a liquidation or otherwise, to us or a guarantor of the notes.

For the year ended May 31, 2007 and for the periods from June 1, 2007 through July 11, 2007 and from July 12, 2007 through February 29, 2008, our non-guarantor subsidiaries accounted for approximately $780 million, or 37% of our consolidated net sales, $83 million, or 33% of our consolidated net sales, and $500 million, or 33% of our consolidated net sales, for such period, respectively. As of February 29, 2008, our non-guarantor subsidiaries accounted for approximately $4,242 million, or 35% of our consolidated long-term assets. All amounts are presented after giving effect to intercompany eliminations.

The lenders under our senior secured cash flow facilities will have the discretion to release any guarantors under these facilities in a variety of circumstances, which will cause those guarantors to be released from their guarantees of the notes.

While any obligations under our senior secured cash flow facilities remain outstanding, any guarantee of the notes may be released without action by, or consent of, any holder of the notes or the trustee under the indentures governing the notes, at the discretion of lenders under our senior secured cash flow facilities, if the related guarantor is no longer a guarantor of obligations under our senior secured cash flow facilities or any other indebtedness. See Description of Senior Exchange Notes and Description of Senior Subordinated Exchange Notes. The lenders under our senior secured cash flow facilities will have the discretion to release the guarantees under our senior secured cash flow facilities in a variety of circumstances. You will not have a claim as a creditor against any subsidiary that is no longer a guarantor of the notes, and the indebtedness and other liabilities, including trade payables, whether secured or unsecured, of those subsidiaries will effectively be senior to claims of noteholders.

Your right to receive payments on the senior subordinated notes is junior to the rights of the lenders under our senior secured credit facilities and all of our other senior debt (including the senior notes) and any of our future senior indebtedness.

The senior subordinated notes are general unsecured senior subordinated obligations that rank junior in right of payment to all of our existing and future senior indebtedness. As of February 29, 2008, we had:

- approximately $5,283 million of senior indebtedness outstanding (including $1,550 million in aggregate principal amount of the senior notes and $3,733 million of borrowings under our senior secured credit facilities);

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- an additional approximately $326 million of borrowing capacity under our senior secured cash flow revolving credit facility, which, if borrowed, would be senior indebtedness;

- an additional $350 million available for borrowing under our senior secured asset-based revolving credit facility, subject to borrowing base limitations, which, if borrowed, would be senior indebtedness;

- the option to incur additional incremental term loans or increase the cash flow revolving credit facility commitments under our senior secured cash flow facilities of up to an amount that would cause our Senior Secured Leverage Ratio (as defined in our senior secured cash flow facilities) to be equal to or less than 4.50 to 1.00, which, if borrowed, would be senior indebtedness;

- the option to increase the asset-based revolving credit facility commitments under our senior secured asset-based revolving credit facility by up to $100 million, which, if borrowed would be senior indebtedness; and

- an additional $171 million available for borrowing under our European line of credit and Japanese lines of credit, which, if borrowed, would be senior indebtedness.

In addition, under the senior toggle notes, we will have the option to elect to pay PIK interest for five years after the closing date for any interest period other than the initial interest period. In the event we make a PIK interest election in this period in which we are entitled to make such an election, our debt will increase by the amount of such interest.

We may not pay principal, premium, if any, interest or other amounts on account of the senior subordinated notes in the event of a payment default or certain other defaults in respect of certain of our senior indebtedness, including the senior notes and borrowings under our senior secured credit facilities, unless the senior indebtedness has been paid in full or the default has been cured or waived. In addition, in the event of certain other defaults with respect to certain of our senior indebtedness, we may not be permitted to pay any amount on account of the senior subordinated notes for a designated period of time.

Because of the subordination provisions in the senior subordinated notes, in the event of our bankruptcy, liquidation or dissolution, our assets will not be available to pay obligations under the senior subordinated notes until we have made all payments in cash on our senior indebtedness. Sufficient assets may not remain after all these payments have been made to make any payments on the senior subordinated notes, including payments of principal or interest when due.

If we default on our obligations to pay our other indebtedness, we may not be able to make payments on the notes.

Any default under the agreements governing our indebtedness, including a default under our senior secured credit facilities that is not waived by the required lenders, and the remedies sought by the holders of such indebtedness, could prevent us from paying principal, premium, if any, and interest on the notes and substantially decrease the market value of the notes. If we are unable to generate sufficient cash flow and are otherwise unable to obtain funds necessary to meet required payments of principal, premium, if any, and interest on our indebtedness, or if we otherwise fail to comply with the various covenants, including financial and operating covenants in the instruments governing our indebtedness (including covenants in our senior secured credit facilities and the indentures governing the notes), we could be in default under the terms of the agreements governing such indebtedness, including our senior secured credit facilities and the indentures governing the notes. In the event of such default:

- the holders of such indebtedness may be able to cause all of our available cash flow to be used to pay such indebtedness and, in any event, could elect to declare all the funds borrowed thereunder to be due and payable, together with accrued and unpaid interest;

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the lenders under our senior secured credit facilities could elect to terminate their commitments thereunder, cease making further loans and institute foreclosure proceedings against our assets;

we could be forced into bankruptcy or liquidation; and

the subordination provisions in the senior subordinated notes may prevent us from paying any obligation with respect to such notes.

If our operating performance declines, we may in the future need to obtain waivers from the required lenders under our senior secured credit facilities to avoid being in default. If we breach our covenants under our senior secured credit facilities and seek a waiver, we may not be able to obtain a waiver from the required lenders. If this occurs, we would be in default under our senior secured credit facilities, the lenders could exercise their rights, as described above, and we could be forced into bankruptcy or liquidation.

We may not be able to repurchase the notes upon a change of control.

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all outstanding notes at 101% of their principal amount plus accrued and unpaid interest, if any. The source of funds for any such purchase of the notes will be our available cash or cash generated from our subsidiaries operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the notes upon a change of control because we may not have sufficient financial resources to purchase all of the notes that are tendered upon a change of control. Further, we will be contractually restricted under the terms of our senior secured credit facilities from repurchasing all of the notes tendered by holders upon a change of control. Accordingly, we may not be able to satisfy our obligations to purchase the notes unless we are able to refinance or obtain waivers under our senior secured credit facilities. Our failure to repurchase the notes upon a change of control would cause a default under the indentures governing the notes and a cross default under our senior secured credit facilities. Our senior secured credit facilities also provide that a change of control will be a default that permits lenders to accelerate the maturity of borrowings thereunder. Any of our future debt agreements may contain similar provisions.

The trading prices for the notes will be directly affected by many factors, including our credit rating.

Credit rating agencies continually revise their ratings for companies they follow. The condition of the financial and credit markets and prevailing interest rates have fluctuated in the past and are likely to fluctuate in the future. Any such fluctuation may impact the trading price of the notes. In addition, developments in our business and operations could lead to a ratings downgrade which could adversely affect the trading price of the notes, or the trading market for the notes, to the extent a trading market for the notes develops.

Federal and state fraudulent transfer laws may permit a court to void the notes and the guarantees, subordinate claims in respect of the notes and the guarantees and require noteholders to return payments received. If this occurs, you may not receive any payments on the notes.

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the notes and the incurrence of any guarantees. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the notes or guarantees could be voided as a fraudulent transfer or conveyance if (1) we or any of the guarantors, as applicable, issued the notes or incurred the guarantees with the intent of hindering, delaying or defrauding creditors or (2) we or any of the guarantors, as applicable, received less than reasonably equivalent value or fair consideration in return for either issuing the notes or incurring the guarantees and, in the case of (2) only, one of the following is also true at the time thereof:

we or any of the guarantors, as applicable, were insolvent or rendered insolvent by reason of the issuance of the notes or the incurrence of the guarantees;

the issuance of the notes or the incurrence of the guarantees left us or any of the guarantors, as applicable, with an unreasonably small amount of capital to carry on the business;

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we or any of the guarantors intended to, or believed that we or such guarantor would, incur debts beyond our or such guarantor s ability to pay such debts as they mature; or

we or any of the guarantors was a defendant in an action for money damages, or had a judgment for money damages docketed against us or such guarantor if, in either case, after final judgment, the judgment is unsatisfied.

A court would likely find that we or a guarantor did not receive reasonably equivalent value or fair consideration for the notes or such guarantee if we or such guarantor did not substantially benefit directly or indirectly from the issuance of the notes or the applicable guarantee. As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or an antecedent debt is secured or satisfied. A debtor will generally not be considered to have received value in connection with a debt offering if the debtor uses the proceeds of that offering to make a dividend payment or otherwise retire or redeem equity securities issued by the debtor.

We cannot be certain as to the standards a court would use to determine whether or not we or the guarantors were solvent at the relevant time or, regardless of the standard that a court uses, that the issuance of the guarantees would not be further subordinated to our or any of our guarantors other debt. Generally, however, an entity would be considered insolvent if, at the time it incurred indebtedness:

the sum of its debts, including contingent liabilities, was greater than the fair saleable value of all its assets;

the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or

it could not pay its debts as they become due.

If a court were to find that the issuance of the notes or the incurrence of the guarantee was a fraudulent transfer or conveyance, the court could void the payment obligations under the notes or such guarantee or further subordinate the notes or such guarantee to presently existing and future indebtedness of ours or of the related guarantor, or require the holders of the notes to repay any amounts received with respect to such guarantee. In the event of a finding that a fraudulent transfer or conveyance occurred, you may not receive any repayment on the notes. Further, the voidance of the notes could result in an event of default with respect to our and our subsidiaries other debt that could result in acceleration of such debt.

Although each guarantee entered into by a guarantor will contain a provision intended to limit that guarantor s liability to the maximum amount that it could incur without causing the incurrence of obligations under its guarantee to be a fraudulent transfer, this provision may not be effective to protect those guarantees from being voided under fraudulent transfer law, or may reduce that guarantor s obligation to an amount that effectively makes its guarantee worthless.

We are indirectly owned and controlled by the Sponsors, and the Sponsors interests as equity holders may conflict with yours as a creditor.

We are a subsidiary of Parent and the Sponsors have the ability to control our policies and operations. The interests of the Sponsors may not in all cases be aligned with your interests. For example, if we encounter financial difficulties or are unable to pay our debts as they mature, the interests of our equity holders might conflict with your interests as a noteholder. In addition, our equity holders may have an interest in pursuing acquisitions, divestitures, financings or other transactions that, in their judgment, could enhance their equity investments, even though such transactions might involve risks to you as a holder of the notes. Furthermore, the Sponsors may in the future own businesses that directly or indirectly compete with us. The Sponsors also may pursue acquisition opportunities that may be complementary to our business, and as a result, those acquisition opportunities may not be available to us. For information concerning our arrangements with the Sponsors following the Transactions, see Certain Relationships and Related Party Transactions.

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You will be required to pay U.S. federal income tax on the senior toggle notes even if we do not pay cash interest.

None of the interest payments on the senior toggle notes will be qualified stated interest for U.S. federal income tax purposes, even if we never exercise the option to pay PIK interest, because the senior toggle notes provide us with the option to pay cash interest or PIK interest for any interest payment period after the initial interest payment and prior to October 15, 2012. Consequently, the senior toggle notes will be treated as issued with original issue discount for U.S. federal income tax purposes, and U.S. holders will be required to include the original issue discount in gross income on a constant yield to maturity basis, regardless of whether interest is paid currently in cash. See Certain Material United States Federal Income Tax Considerations.

Risks Relating to Our Business

Our future profitability depends on the success of our principal product lines.

Sales of our reconstructive products accounted for approximately 73% of our pro forma net sales for the nine months ended February 29, 2008, approximately 71% of our net sales for fiscal 2007 and approximately 68% of our net sales for fiscal 2006. We expect sales of reconstructive products to continue to account for a significant portion of our aggregate sales. Any event adversely affecting the sale of reconstructive products may, as a result, adversely affect our business, results of operations and financial condition.

If we are unable to continue to develop and market new products and technologies in a timely manner, the demand for our products may decrease or our products could become obsolete, and our revenue and profitability may decline.

The market for our products is highly competitive and dominated by a small number of large companies. We are continually engaged in product development, research and improvement efforts. New products and line extensions of existing products represent a significant component of our growth rate. Our ability to continue to grow sales effectively depends on our capacity to keep up with existing or new products and technologies in the musculoskeletal products market. 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 and clearances might not be granted for future products on a timely basis, if at all. Delays in receipt of, or failure to obtain, approvals and clearances for future products could result in delayed realization of product revenues or in substantial additional costs which could have a material adverse effect on our business or results of operations. In addition, if our competitors new products and technologies reach the market before our products, they may gain a competitive advantage or render our products obsolete. See Business Competition elsewhere in this prospectus for more information about our competitors. The ultimate success of our product development efforts will depend on many factors, including, but not limited to, our ability to create innovative designs and materials, provide innovative surgical techniques, accurately anticipate and meet customers needs, commercialize new products in a timely manner and manufacture and deliver products and instrumentation in sufficient volumes on time.

Moreover, research and development efforts may require a substantial investment of time and resources before we are adequately able to determine the commercial viability of a new product, technology, material or other innovation. Even in the event that we are able to successfully develop innovations, they may not produce revenue in excess of the costs of development and may be quickly rendered obsolete as a result of changing customer preferences or the introduction by our competitors of products embodying new technologies or features.

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We and our customers are subject to substantial government regulation and compliance with these regulations can have a material adverse effect on our business.

The medical devices we design, develop, manufacture and market are subject to rigorous regulation by the FDA and numerous other federal, state and foreign governmental authorities. Overall, there appears to be a trend toward more stringent regulation throughout the world, and we do not anticipate this trend to dissipate in the near future.

In general, the development, testing, manufacture and marketing of our products are subject to extensive regulation and review by numerous governmental authorities both in the United States and abroad. The regulatory process requires the expenditure of significant time, effort and expense to bring new products to market. In addition, we are required to implement and maintain stringent reporting, labeling and record keeping procedures. The medical device industry also is subject to a myriad of complex laws governing Medicare and Medicaid reimbursement and health care fraud and abuse laws, with these laws and regulations being very complex and subject to interpretation. In many instances, the industry does not have the benefit of significant regulatory or judicial interpretation of these laws and regulations. In certain public statements, governmental authorities have taken positions on issues for which little official interpretation was previously available. Some of these positions appear to be inconsistent with common practices within the industry but have not previously been challenged.

Various federal and state agencies have become increasingly vigilant in recent years in their investigation of various business practices. Governmental and regulatory actions against us can result in various actions that could adversely impact our operations, including:

- the recall or seizure of products;
- the suspension or revocation of the authority necessary for the production or sale of a product;
- the suspension of shipments from particular manufacturing facilities;
- the imposition of fines and penalties;
- the delay of our ability to introduce new products into the market;
- the exclusion of our products from being reimbursed by federal and state health care programs (such as Medicare, Medicaid, Veterans Administration health programs and Civilian Health and Medical Program Uniformed Service, or CHAMPUS); and
- other civil or criminal sanctions against us.

Any of these actions, in combination or alone, or even a public announcement that we are being investigated for possible violations of these laws, could have a material adverse effect on our business, results of operations and financial condition.

In many of the foreign countries in which we market our products, we are subject to regulations affecting, among other things: clinical efficacy, product standards, packaging requirements, labeling requirements, import/ export restrictions, tariff regulations, duties and tax requirements. Many of the regulations applicable to our devices and products in these countries, such as the European Medical Devices Directive, are similar to those of the FDA. In addition, in many countries the national health or social security organizations require our products to be qualified before they can be marketed with the benefit of reimbursement eligibility. Failure to receive or delays in the receipt of, relevant foreign qualifications also could have a material adverse effect on our business, results of operations and financial condition.

As both the U.S. and foreign government regulators have become increasingly stringent, we may be subject to more rigorous regulation by governmental authorities in the future. Our products and operations are also often subject to the rules of industrial standards bodies, such as the International Standards Organization. If we fail to adequately address any of these regulations, our business will be harmed.

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We, like other companies in the orthopedic industry, are involved in ongoing investigations by the U.S. Department of Justice, the results of which may adversely impact our business and results of operations.

In June 2006, we received a federal grand jury subpoena issued at the request of the U.S. Department of Justice, Antitrust Division, requesting documents for the period from January 2001 through June 2006 regarding possible violations of federal criminal law, including possible violations of the antitrust laws, relating to the manufacture and sale of orthopedic implant devices. We are aware of similar subpoenas directed to other companies in the orthopedic industry. We have cooperated and intend to continue to fully cooperate with the Department of Justice investigation. The result of this investigation may not be known for several years. However, the scope of the June 2006 subpoena was narrowed to a specific geographic region and specific product lines. It is our belief that the other orthopedic companies that received similar subpoenas have received similar guidance. It is our belief that the investigation was prompted by an unsolicited e-mail sent by a representative of one of our competitors that proposed a common pricing strategy in connection with a particular hospital. This e-mail was received by an independent sales representative of an independent distributor for Biomet Orthopedics, but it was never transmitted to us. Neither us, the independent distributor, nor the independent sales representative took any action in response to the e-mail, and we believe that no anticompetitive activity took place as a result of it. We require compliance by our employees and our independent distributors with our Code of Business Conduct and Ethics and with applicable antitrust laws. On March 26, 2008, we received a letter from a representative of the Department of Justice, Antitrust Division advising that the Department has closed its grand jury investigation of antitrust and related offenses in the orthopedic implants industry.

We have received complaints in class action lawsuits alleging violations of the Sherman Antitrust Act that raise the same antitrust issues as the U.S. Department of Justice investigation described above. The complaints also named various other companies in the orthopedic industry as defendants. These cases were consolidated under the caption In Re Orthopedic Implant Device Antitrust Litigation, Case No. 1:07-ml-9831-JDT-WTL with the United States District Court Southern District Indianapolis, Indiana Division, and on October 18, 2007 were voluntarily dismissed without prejudice.

In May 2007, we received a subpoena from the U.S. Department of Justice through the U.S. Attorney for the Southern District of West Virginia requesting documents generally relating to a certain number of products manufactured, marketed and sold by the EBI subsidiary for the period from January 1999 through the present. In June 2007, we received a second administrative subpoena from the U.S. Attorney for the Southern District of West Virginia requesting documents relating to a specific physician s assistant. We understand that the Department of Justice is conducting a civil investigation of EBI s sales and marketing practices relating to certain spinal products. We are fully cooperating with the request of the Department of Justice. We can make no assurances as to the time or resources that will be needed to devote to this inquiry or its final outcome.

From time to time, we have been, and may be in the future, the subject of additional investigations. If, as a result of these investigations, we are found to have violated one or more applicable laws, our business, results of operations and financial condition could be materially adversely affected. If some of our existing business practices are challenged as unlawful, we may have to change those practices, which could have a material adverse effect on our business, results of operations and financial condition.

We conduct a significant amount of our sales activity outside of the United States, which subjects us to additional business risks and may cause our profitability to decline due to increased costs.

During the nine months ended February 29, 2008 and fiscal 2007, we derived approximately $712 million, or 41% of our pro forma net sales, and $801 million, or 38% of our net sales, respectively, from sales of our products outside of the United States. We intend to continue to pursue growth opportunities in sales internationally, which could expose us to additional risks associated with international sales and operations. Our international operations are, and will continue to be, subject to a number of risks and potential costs, including:

- changes in foreign medical reimbursement policies and programs;
- unexpected changes in foreign regulatory requirements;

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differing local product preferences and product requirements;

diminished protection of intellectual property in some countries outside of the United States;

trade protection measures and import or export licensing requirements;

difficulty in staffing, training and managing foreign operations;

differing legal and labor regulations;

potentially negative consequences from changes in tax laws; and

political and economic instability.

In addition, we are subject to risks arising from currency exchange rate fluctuations, which could increase our costs and may cause our profitability to decline. The U.S. dollar value of our foreign-generated revenues varies with currency exchange rate fluctuations. Measured in local currency, the majority of our foreign-generated revenues were generated in Europe. Significant increases in the value of the U.S. dollar relative to foreign currencies could have a material adverse effect on our results of operations. Our pro forma consolidated net sales were positively affected by approximately 3% during the nine months ended February 29, 2008 and our consolidated net sales were positively affected by approximately 2% during fiscal 2007, as a result of the impact of foreign currency translation. At the present time, we do not engage in hedging transactions to protect against uncertainty in future exchange rates between any particular foreign currency and the U.S. dollar.

Any of these factors may, individually or as a group, have a material adverse effect on our business, results of operations and financial condition.

We conduct manufacturing operations outside of the United States and are in the process of transitioning certain manufacturing operations to China, which will expose us to additional business risks.

In addition to our principal executive offices, we maintain more than 50 other manufacturing facilities, offices and warehouse facilities in various countries, including Canada, Europe, Asia Pacific and Latin America.

We currently conduct operations in Jinhua, Zhejiang Province, China. Our future business strategy may involve the operation of other manufacturing facilities in China. As a result of this initiative, we will be exposed to all the risks inherent in operating in an emerging market like China where we have not previously operated a manufacturing facility. In recent years the Chinese economy has undergone various developments, including beginning the transition from a more heavily government influenced-planned economy to a more market-oriented economy. Despite this transition, the Chinese government continues to own significant production assets and exercises significant control over economic growth. Our international operations, including our planned expansion in China, may be subject to greater or new political, legal and economic risks than those faced by our operations in the United States, including such risks as those arising from:

unexpected changes in foreign or domestic legal, regulatory or governmental requirements or approvals, such as those related to taxation, lending, import and tariffs, environmental regulations, land use rights, intellectual property and other matters;

unexpected increases in taxes, tariffs and other assessments;

diminished protection of intellectual property;

trade protection measures and import or export licensing requirements;

difficulty in staffing, training and managing foreign operations;

differing legal and labor regulations;

political and economic instability; and

operating in a market with a less developed supply chain, transportation and distribution infrastructure.

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Due to these inherent risks, there can be no assurance that we will achieve any anticipated benefits from transitioning its manufacturing operations to China and any of these factors may, individually or as a group, have a material adverse effect on our business, results of operations and financial condition.

Our business and financial performance may be adversely affected by our inability to effectively implement restructuring and cost saving initiatives.

Following consummation of the Merger, we commenced plans for a global cost savings program targeting pre-tax savings of $65 million on an annualized basis. The program includes the transition of certain manufacturing facilities to China, the restructuring of our domestic and international corporate structure and improvements to operating processes (including manufacturing footprint optimization, implementation of Six Sigma and Lean Manufacturing, procurement and offshoring initiatives, as well as reduction in overhead expenses). Projected costs and savings associated with these initiatives are subject to a variety of risks, including:

- contemplated costs to effect these initiatives may exceed estimates;
- initiatives we are contemplating may require consultation with various employees, labor representatives or regulators, and such consultations may influence the timing, costs and extent of expected savings;
- initiatives will also require close coordination with customers with respect to the transfer of existing business to other company locations, and certain business may not ultimately be retained as a result of possible transition of facilities;
- management changes at various strategic business units, including Biomet Trauma and Biomet Spine, may be unsuccessful in improving or stabilizing our business at those strategic business units;
- the loss of skilled employees in connection with the initiatives; and
- projected savings contemplated under this program may fall short of targets.

While we have and expect to continue to implement these strategies, there can be no assurance that we will be able to do so successfully or that we will realize the projected benefits of these and other restructuring and cost saving initiatives. If we are unable to realize these anticipated cost reductions, our business may be adversely affected. Moreover, our continued implementation of restructuring and cost saving initiatives integration may have a material adverse effect on our business, results of operations and financial condition.

If we fail to comply with the terms of the Deferred Prosecution Agreement or the Corporate Integrity Agreement we entered into in September 2007, our results of operation and financial condition could be materially and adversely affected.

As discussed in Business Legal Proceedings, on September 27, 2007 we entered into a Deferred Prosecution Agreement with the U.S. Attorney s Office for the District of New Jersey. The agreement concludes the government s investigation into whether consulting agreements between the largest orthopedic manufacturers and orthopedic surgeons who use joint reconstruction and replacement products may have violated the federal Anti-Kickback Statute. Through the agreement, the U.S. Attorney s Office has agreed not to prosecute us in connection with this matter, provided that we satisfy our obligations under the agreement for 18 months subsequent to September 27, 2007. The agreement calls for the appointment of an independent monitor to review our compliance with the agreement, particularly in relation to our consulting agreements.

As part of the resolution of this matter, we also entered into a Corporate Integrity Agreement with the Office of the Inspector General of the U.S. Department of Health and Human Services, or OIG-HHS. The agreement requires us to continue to adhere to our Code of Business Conduct and Ethics and certain other provisions, including reporting requirements.

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Breach of the Deferred Prosecution Agreement or the Corporate Integrity Agreement could result in further action against us, including excluding us from participation in federal healthcare programs and prosecution against us for violating the federal Anti-Kickback Statute, which would have a material adverse effect on our results of operation and financial condition.

Compliance with the terms of the Deferred Prosecution Agreement and Corporate Integrity Agreement will require cooperation by many employees and others and may divert substantial financial and human resources from our other business activities.

We are committed to devoting sufficient resources to meet its obligations under the Deferred Prosecution Agreement and Corporate Integrity Agreement. Compliance with these agreements require substantial cooperation of our employees, distributors and sales agents and the healthcare professionals with whom they interact. These efforts not only involve expense, but also require management and other key employees to focus extensively on these matters.

We could be subject to further governmental investigations or actions by other third parties as a result of our recent settlement with the Department of Justice and OIG-HHS.

As discussed in Business Legal Proceedings, the SEC has commenced an informal investigation into sales by us and other companies of medical devices in foreign countries. In addition, we are also cooperating with an investigative demand made by one state attorney general. While we believe that the pending state investigation is not likely to have a material adverse effect on our business or financial condition, similar investigations by other states or governmental agencies are possible. We intend to review and take appropriate actions with respect to any such investigations or proceedings; however, we cannot assure that the costs of defending or resolving those investigations or proceedings would not have a material adverse effect on our financial condition, results of operations and cash flows.

If we are not able to fulfill or otherwise resolve our existing royalty and other payment obligations to consulting surgeons and institutions, our ability to maintain our existing intellectual property rights and obtain future rights may be impaired.

We are reviewing agreements we have entered into with consulting surgeons and institutions and assessing whether we continue those agreements in light of our obligations under the Deferred Prosecution Agreement. If we are not able to continue these agreements, our ability to use the intellectual property covered by those agreements may be adversely affected. In addition, our ability to enter into new agreements with consulting surgeons or institutions for the future development of intellectual property rights may be adversely affected.

Sales may decline if our customers do not receive adequate levels of reimbursement from third-party payors for our products and if certain types of healthcare programs are adopted in our key markets.

In the United States, healthcare providers that purchase our products (*e.g.,* hospitals, physicians, dentists and other health care providers) generally rely on payments from third-party payors (principally federal Medicare, state Medicaid and private health insurance plans) to cover all or a portion of the cost of our musculoskeletal products. These third-party payors may deny reimbursement if they determine that a device used in a procedure was not in accordance with cost-effective treatment methods, as determined by the third-party payor, or was used for an unapproved indication. Third-party payors may also decline to reimburse for experimental procedures and devices. In the event that third-party payors deny coverage or reduce their current levels of reimbursement, we may be unable to sell certain products on a profitable basis, thereby materially adversely impacting our results of operations. Further, third-party payors are continuing to carefully review their coverage policies with respect to existing and new therapies and can, without notice, deny coverage for treatments that may include the use of our products.

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In addition, some healthcare providers in the United States have adopted, or are considering the adoption of, a managed care system in which the providers contract to provide comprehensive healthcare for a fixed cost per person. Healthcare providers in a managed care system may attempt to control costs by authorizing fewer elective surgical procedures, including joint reconstructive surgeries, or by requiring the use of the least expensive implant available. In response to these and other pricing pressures, our competitors may lower the prices for their products. We may not be able to match the prices offered by our competitors, thereby adversely impacting our results of operations and future prospects. Further, in the event that the United States considers the adoption of a national healthcare system in which prices are controlled and patient care is managed by the government, such regulation could have a material adverse effect on our business, results of operations and financial condition.

Outside of the United States, reimbursement systems vary significantly from country to country. In the majority of the international markets in which our products are sold, government-managed healthcare systems mandate the reimbursement rates and methods for medical devices and procedures. If adequate levels of reimbursement from third-party payors outside of the United States are not obtained, international sales of our products may decline. Many foreign markets, including Canada, and some European and Asian countries, have tightened reimbursement rates. Our ability to continue to sell certain products profitably in these markets may diminish if the government-managed healthcare systems continue to reduce reimbursement rates.

We are subject to cost-containment efforts of group purchasing organizations, which may have a material adverse effect on our results of operations and financial condition.

Many customers of our products have joined group purchasing organizations in an effort to contain costs. Group purchasing organizations negotiate pricing arrangements with medical supply manufacturers and distributors, and these negotiated prices are made available to a group purchasing organization s affiliated hospitals and other members. If we are not one of the providers selected by a group purchasing organization, affiliated hospitals and other members may be less likely to purchase our products, and if the group purchasing organization has negotiated a strict compliance contract for another manufacturer s products, we may be precluded from making sales to members of the group purchasing organization for the duration of the contractual arrangement. Our failure to respond to the cost-containment efforts of group purchasing organizations may cause us to lose market share to our competitors and could have a material adverse effect on our sales, results of operations and financial condition.

Loss of our key management and other personnel, or an inability to attract such management and other personnel, could impact our business.

We depend on our senior managers and other key personnel to run our business and on technical experts to develop new products and technologies. The loss of any of these senior managers or other key personnel could adversely affect our operations. Competition for qualified employees is intense, and the loss of qualified employees or an inability to attract, retain and motivate additional highly skilled employees required for the management, operation and expansion of our business could hinder our ability to expand, conduct research and development activities successfully and develop marketable products.

Increased costs of retaining existing independent sales agents of our products have negatively affected our results of operations and if we fail to retain our existing relationships with these independent sales agents or establish relationships with different agents, our results of operations may be negatively impacted.

Our revenues and profitability depend largely on the ability of independent sales agents to sell our products to customers. Typically, these agents have developed long-standing relationships with our customers and provide our customers with the necessary training and product support relating to our products. The average tenure of our independent sales agents within our subsidiary Biomet Orthopedics, LLC, or Biomet Orthopedics, is nine years.

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Following the announcement of the Merger Agreement, in an attempt to exploit the uncertainty related to the pending transaction, our direct competitors approached the independent sales agents we work with and offered them incentives to discontinue their existing relationships with us. In an effort to ensure the continuity of our relationships with the independent third-party distributors who represent Biomet Orthopedics, we incurred $39 million in fiscal 2007, $18 million for the period from June 1, 2007 to July 11, 2007 and $30 million for the period from July 12, 2007 to February 29, 2008, which negatively affected our results of operations for these periods. A significant amount of these expenses that were incurred in fiscal 2008 were incurred prior to the end of the first quarter of fiscal 2008. In addition, we and Biomet Orthopedics recently initiated legal proceedings in Marion County, Indiana against a direct competitor and certain former independent sales agents related to the foregoing. See Business Legal Proceedings elsewhere in this prospectus. If we fail to retain our existing relationships with these agents or establish relationships with different agents, our results of operations may be negatively impacted.

Our business may be harmed as a result of litigation.

Our involvement in the manufacture and sale of medical devices creates exposure to significant risk of product liability claims, particularly in the United States. In the past, we have received product liability claims relating to our products and anticipate that we will continue to receive claims in the future, some of which could have a material adverse impact on our business. In addition, we could experience a material design or manufacturing failure in our products, a quality system failure, other safety issues or heightened regulatory scrutiny that would warrant a recall of some of our products. Our existing product liability insurance coverage may be inadequate to satisfy liabilities we might incur. If a product liability claim or series of claims is brought against us for uninsured liabilities or is in excess of our insurance coverage limits, our business could suffer and our results could be materially adversely impacted.

In addition, the musculoskeletal products industry is highly litigious with respect to the enforcement of patents and other intellectual property rights. In some cases, intellectual property litigation may be used to gain a competitive advantage. We have in the past and may in the future become a party to lawsuits involving patents or other intellectual property. A legal proceeding, regardless of the outcome, could put pressure on our financial resources and divert the time, energy and efforts of our management.

In connection with our historical stock option granting practices and resulting restatements, a number of derivative actions were filed against certain of our current and former directors and officers, purporting to assert claims on our behalf, as discussed in Business Legal Proceedings elsewhere in this prospectus. On May 25, 2007, the Board of Directors received and discussed an updated report from its Special Committee, which concluded that pursuing these shareholder derivative lawsuits was not in our best interests. Under Indiana law, the Special Committee s determination may be binding on the pending shareholder derivative lawsuits and result in dismissal of these lawsuits. We cannot, however, predict the outcome of these current lawsuits, nor can we predict the amount of time and expense that will be required to resolve them. There may also be additional lawsuits of this nature filed in the future. Defending the current lawsuits and any additional shareholder derivative lawsuits may become time consuming and expensive, and an unfavorable outcome in any of these cases could have a material adverse effect on our business, results of operations and financial condition.

The ongoing informal investigation by the United States Securities and Exchange Commission regarding potential violations of the Foreign Corrupt Practices Act in the sale of medical devices in a number of foreign countries by companies in the medical device industry could have a material adverse effect on our business, results of operations and financial condition.

On September 25, 2007, we received a letter from the SEC informing us that it is conducting an informal investigation regarding possible violations of the Foreign Corrupt Practices Act in the sale of medical devices in certain foreign countries by companies in the medical devices industry. The Foreign Corrupt Practices Act prohibits U.S. companies and their officers, directors, employees, shareholders acting on their behalf and agents from offering, promising, authorizing or making payments to foreign officials for the purpose of obtaining or retaining business abroad or otherwise obtaining favorable treatment and this law requires companies to maintain records which fairly and accurately reflect transactions and to maintain internal accounting controls. In many

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countries, hospitals and clinics are government-owned and healthcare professionals employed by such hospitals and clinics, with whom we regularly interact, may meet the definition of a foreign official for purposes of the Foreign Corrupt Practices Act. If we are found to have violated the Foreign Corrupt Practices Act, we may face sanctions including fines, criminal penalties, disgorgement of profits and suspension or debarment of our ability to contract with governmental agencies or receive export licenses, which could have a material adverse effect on our business, results of operations and financial condition. On November 9, 2007, we received a letter from the Department of Justice requesting any information provided to the SEC be provided to the Department of Justice on a voluntary basis. We intend to fully cooperate with both requests and we are in the process of conducting our own review relating to these matters in certain countries in which we and our distributors conduct business.

A natural or man-made disaster could have a material adverse effect on our business.

We have approximately 21 manufacturing operations located throughout the world. However, a significant portion of our products are produced at and shipped from our facility in Warsaw, Indiana. In the event that this facility is severely damaged or destroyed as a result of a natural or man-made disaster, we would be forced to shift production to our other facilities and/or rely on third-party manufacturers. Such an event could have a material adverse effect on our business prospects, results of operations and financial condition.

Any expansion or acquisition may prove risky for us.

We may, from time to time, consider and take advantage of selected opportunities to grow by acquiring businesses whose operations or product lines fit well within our existing businesses or whose geographic location or market position would enable us to expand into new markets. Our ability to implement this expansion strategy will, however, depend on whether any suitable businesses are available at suitable valuations, how much money we can spend and maintaining our customer base. Any acquisition that we make could be subject to a number of risks, including, failing to discover liabilities of the acquired company for which we may be responsible as a successor owner or operator despite any investigation we may make before the acquisition, our ability to assimilate the operations and personnel of the acquired company, the loss of key personnel in the acquired company and any impact on our financial statements from the amortization of acquired intangible assets or the creation of reserves or write-downs. We may not be able to adequately meet these challenges, and any failure to do so could adversely affect our business, results of operations and financial condition. In addition, if we incur additional indebtedness to finance these acquisitions, the related risks we face from our already substantial level of indebtedness could intensify.

Risks Relating to the Stock Options Investigation and the Merger

Our review of historical stock option granting practices and restatement of consolidated financial statements may result in future litigation or regulatory inquiries, which could harm our financial results.

On December 18, 2006 and March 30, 2007, we announced preliminary and updated reports from the Special Committee following the publication of an analyst report suggesting that certain historical stock option grants took place on dates when our stock price was trading at relatively low prices and the filing of two shareholder derivative lawsuits alleging improper backdating of options. Based upon the analysis of these reports and relevant accounting literature, including Staff Accounting Bulletin, or SAB, No. 99, our Audit Committee determined on March 30, 2007 that we should amend our Annual Report on Form 10-K for fiscal 2006 and our Quarterly Report on Form 10-Q for the period ended August 31, 2006 to reflect the restatement of the consolidated financial statements reflected therein (fiscal 2004, 2005 and 2006 and periods ended August 31, 2005 and 2006) and related disclosures reflected therein.

On May 25, 2007, our Board of Directors received and discussed the updated findings contained in the Special Committee s final report, which concluded that:

- our written stock option plans were treated by our management, and our Compensation and Stock Option Committee, as formalities concerning the manner in which individual stock option grants were to be approved, resulting in a failure to abide by the terms of the plans;

- we failed to receive appropriate legal or accounting advice from our former general counsel and the chief financial officer related to our stock option program and, as a result, relevant legal and accounting rules were not followed;

we failed to put in place and implement internal controls to manage our stock option program, including failing to devote sufficient resources to the administration of our stock option program;

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we failed to prepare and maintain appropriate books and records documenting the administration of our stock option program, specifically with regard to the approval of individual stock option grants;

most options issued by us were dated on dates other than the date of grant of those options, as that date was defined by the stock option plans;

we engaged in purposeful opportunistic dating (and, therefore, pricing) of options; and

as a result of these deficiencies, certain of our proxy statements were inaccurate.

Our review of historical stock option granting practices has required us to incur additional expenses for legal, accounting, tax and other professional services, and could in the future adversely affect our business, results of operations, financial condition and cash flows, including by virtue of exposing us to greater risks associated with litigation, regulatory and other governmental proceedings. We have also incurred expenses in connection with certain corrective actions approved by our Compensation and Stock Option Committee with respect to misdated or mispriced options, including (a) payments to compensate certain former holders of options whose option exercise prices we increased to the fair market value of the shares underlying such options on the measurement date (as that term is defined in SFAS No. 123(R)) for the options and (b) payments to the Internal Revenue Service, or IRS, on behalf of certain option holders (and reimbursement of one of our executive officers) to cover taxes and penalties payable by such individuals as a result of their exercise of misdated or mispriced options prior to the date we amended such options to bring them into compliance with (and thereby avoid the taxes and penalties imposed under) section 409A of the Internal Revenue Code of 1986, as amended, or the Code, as well as gross-up payments to such individuals for any taxes they incur as a result of such payments. In connection with the closing of the Offer, all outstanding options to purchase Shares under our stock plans, vested or unvested, were cancelled and each option holder was paid an amount in cash equal to the excess, if any, of the Offer Price over the applicable option exercise price for each Share subject to an option, less any required withholding taxes. While we believe that we have made appropriate judgments in determining the correct measurement dates for the approximately 17,000 stock option awards in question, the SEC or other governmental agencies may disagree with the manner in which we have accounted for and reported, or not reported, the financial and other impacts of past stock option grant measurement date errors, and there is a risk that any such inquiry could lead to circumstances in which we may have to further restate our prior financial statements, amend prior SEC filings, or otherwise take other actions not currently contemplated by us. Any such circumstance could also lead to future delays in filing our subsequent SEC reports. We cannot assure you that any future litigation or regulatory action will result in the same conclusions as those reached by the Special Committee. The conduct and resolution of these matters may be time consuming, expensive and distracting from the conduct of our business. Furthermore, if we are subject to adverse findings in any of these matters, we could be required to pay damages, penalties or additional taxes or have other remedies imposed upon us, which could harm our business, results of operations, financial condition and cash flows.

We have been named as a party to a number of shareholder derivative lawsuits relating to our historical stock option grant practices, and we may be named in additional lawsuits in the future. This litigation could become time consuming and expensive and could result in the payment of significant judgments and settlements, which could have a material adverse effect on our results of operations and financial condition.

On September 21, 2006, two shareholder-derivative complaints were filed against certain of our current and former officers and directors in Kosciusko Superior Court I in Kosciusko Country, in the State of Indiana. The complaints, captioned *Long v. Hann, et al.*, and *Thorson v. Hann, et al.*, alleged violations of state law relating to the issuance of certain stock option awards by Biomet dating back to 1996. Both complaints sought unspecified money damages as well as other equitable and injunctive relief. These two cases were consolidated under the caption *In re Biomet, Inc. Derivative Litigation*, and on January 19, 2007, plaintiffs filed an amended complaint that made additional allegations based on our December 18, 2006 disclosures related to stock option awards, including allegations that the defendants sought to sell us in order to escape liability for their conduct, and that they did so at a devalued price, thus further breaching their fiduciary duties to shareholders. On February 5, 2008, the court granted the defendants motion to dismiss the amended complaint. On March 6, 2008, plaintiffs filed a notice of appeal.

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On December 11, 2006, a third shareholder-derivative complaint captioned *International Brotherhood of Electrical Workers* (IBEW) Local 98 Pension Fund v. Hann, et al., No. 06 CV 14312, was filed in federal court in the Southern District of New York. The IBEW case makes allegations and claims similar to those made in the Indiana litigation, in addition to purporting to state three derivative claims for violations of the federal securities laws. On February 15, 2007, defendants filed a motion to dismiss the plaintiff s complaint. On April 11, 2007, plaintiffs filed a motion for partial summary judgment claiming that the disclosures in our April 2, 2007 Form 8-K filing and press release regarding our historical stock options granting practices constitute admissions sufficient to establish defendants liability on certain of plaintiffs claims. Both motions are currently pending with the court.

Pursuant to Indiana law and provisions of our article of incorporation, we are advancing reasonable expenses, including attorneys fees, incurred by our current and former directors and officers in defending these lawsuits.

On May 25, 2007, the Board of Directors received and discussed an updated report from its Special Committee, which concluded that pursuing these shareholder derivative lawsuits was not in our best interests. Under Indiana law, the Special Committee s determination may be binding on the pending shareholder derivative lawsuits and result in dismissal of these lawsuits.

We cannot, however, predict the outcome of these current lawsuits, nor can we predict the amount of time and expense that will be required to resolve them. There may also be additional lawsuits of this nature filed in the future. Defending the current lawsuits and any additional shareholder derivative lawsuits may become time consuming and expensive, and an unfavorable outcome in any of these cases could have a material adverse effect on our business, results of operations and financial condition.

In addition, the issues arising from our previous retroactive pricing of options may make it more difficult to obtain director and officer insurance coverage in the future. If we are able to obtain this coverage, it could be significantly more costly than in the past, which could have an adverse effect on our financial results and cash flows. As a result of this and related factors, our directors and officers could face increased risks of personal liability in connection with the performance of their duties. Consequently, we may have difficulty attracting and retaining qualified directors and officers, which could adversely affect our business.

We are subject to litigation related to the Merger.

On December 20, 2006, a purported class-action lawsuit captioned *Long, et al. v. Hann, et al.*, was filed in Indiana State court in the County of Kosciusko. The *Long* action names as defendants each member of our Board of Directors at the time, Blackstone Capital Partners V L.P., Goldman Sachs Investments Ltd., KKR 2006 Fund L.P., and TPG Partners V, L.P. In March 2007, the defendants filed motions to dismiss the plaintiff s complaint. On January 2, 2007, a purported class-action lawsuit captioned *Gervasio v. Biomet, Inc., et al.*, was filed in Supreme Court for the State of New York, New York County. The *Gervasio* complaint named as defendants the Company, each member of our Board of Directors at the time, The Blackstone Group L.P. and Kohlberg Kravis Roberts & Co. The *Gervasio* complaint also purported to name as defendants Goldman Sachs Capital Partners and Texas Pacific Group, neither of which is a legally existing entity. On March 26, 2007, the court granted defendants motion to dismiss the *Gervasio* action. On March 26, 2007, the court granted defendants motion to dismiss *Gervasio*. A third purported class-action lawsuit captioned *Corry v. Biomet, Inc., et al.*, was filed in New York state court in the County of New York on January 9, 2007, and was voluntarily discontinued on February 14, 2007. On May 31, 2007, we entered into a memorandum of understanding regarding the settlement of class action lawsuits that were filed on behalf of our shareholders following the announcement of the proposed Merger. The parties to the memorandum of understanding executed a definitive settlement agreement dated as of April 17, 2008. This settlement is subject to court approval. On April 25, 2008, the parties moved the Indiana State court in the County of Kosciusko for approval of the settlement. If the settlement becomes effective, the lawsuits will be dismissed with prejudice.

Any conclusion of this litigation in a manner adverse to us could have a material adverse effect on our business, results of operations, financial condition and cash flows. In addition, the cost to us of defending the litigation, even if resolved in our favor, could be substantial. Such litigation could also substantially divert the attention of our management and our resources in general. Uncertainties resulting from the initiation and continuation of this litigation could harm our ability to compete in the marketplace.

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THE EXCHANGE OFFERS

General

Concurrently with the sales of the original notes on September 25, 2007 and October 16, 2007, we entered into registration rights agreements with the initial purchasers of the original notes that require us to use our commercially reasonable efforts to prepare and file a registration statement under the Securities Act with respect to the exchange notes and, upon the effectiveness of the registration statement, to offer to the holders of the original notes the opportunity to exchange their original notes for a like principal amount of exchange notes.

The registration rights agreements provide that we must (a) use our commercially reasonable efforts to cause the registration statement of which this prospectus is a part with respect to the exchange of the original notes for the exchange notes to be declared effective under the Securities Act and (b) keep the exchange offers open for at least 20 business days (or longer, if required by applicable law) after the date notice of the exchange offers is mailed to holders of the original notes and (c) consummate the exchange offers on or prior to the 360th day (or if the 360th day is not a business day, the first business day thereafter) after the original issue date of the original notes.

Copies of the registration rights agreements have been filed as exhibits to the registration statement of which this prospectus is a part. Following the completion of the exchange offers, holders of original notes not tendered will not have any further registration rights other than as set forth in the paragraphs below, and the original notes will continue to be subject to certain restrictions on transfer.

Subject to certain conditions, including the representations set forth below, the exchange notes will be issued without a restrictive legend and generally may be reoffered and resold without registration under the Securities Act. In order to participate in the exchange offers, a holder must represent to us in writing, or be deemed to represent to us in writing, among other things, that:

- the exchange notes acquired pursuant to the exchange offers are being acquired in the ordinary course of business of the person receiving such exchange notes, whether or not such recipient is such holder itself;
- at the time of the commencement or consummation of the exchange offers, neither such holder nor, to the knowledge of such holder, any other person receiving exchange notes from such holder has an arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the exchange notes in violation of the provisions of the Securities Act;
- neither the holder nor, to the knowledge of such holder, any other person receiving exchange notes from such holder is an affiliate, as defined in Rule 405 under the Securities Act, of ours or of any of the guarantors, if it is an affiliate, it will comply with the registration and prospectus delivery requirements of the Securities Act to the extent applicable;
- if such holder is not a broker-dealer, neither such holder nor, to the knowledge of such holder, any other person receiving exchange notes from such holder, is engaging in or intends to engage in a distribution of the exchange notes; and
- if such holder is a participating broker-dealer, such holder has acquired the exchange notes for its own account in exchange for the original notes that were acquired as a result of market-making activities or other trading activities and that it will comply with the applicable provisions of the Securities Act (including, but not limited to, the prospectus delivery requirements thereunder). See Plan of Distribution.

Under certain circumstances specified in the registration rights agreements, we may be required to file a shelf registration statement covering resales of the original notes pursuant to Rule 415 under the Securities Act.

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Based on an interpretation by the SEC s staff set forth in no-action letters issued to third parties unrelated to us, we believe that, with the exceptions set forth below, the exchange notes issued in the exchange offers may be offered for resale, resold and otherwise transferred by the holder of exchange notes without compliance with the registration and prospectus delivery requirements of the Securities Act, unless the holder:

is an affiliate, within the meaning of Rule 405 under the Securities Act, of ours;

is a broker-dealer who purchased original notes directly from us for resale under Rule 144A or Regulation S or any other available exemption under the Securities Act;

acquired the exchange notes other than in the ordinary course of the holder s business;

has an arrangement with any person to engage in the distribution of the exchange notes; or

is prohibited by any law or policy of the SEC from participating in the exchange offers.

Any holder who tenders in the exchange offers for the purpose of participating in a distribution of the exchange notes cannot rely on this interpretation by the SEC s staff and must comply with the registration and prospectus delivery requirements of the Securities Act in connection with a secondary resale transaction. Each broker-dealer that receives exchange notes for its own account in exchange for original notes, where such original notes were acquired by such broker-dealer as a result of market-making activities or other trading activities, must acknowledge that it will deliver a prospectus in connection with any resale of such exchange note. See Plan of Distribution. Broker-dealers who acquired original notes directly from us and not as a result of market-making activities or other trading activities may not rely on the staff s interpretations discussed above, and must comply with the prospectus delivery requirements of the Securities Act in order to sell the original notes.

Terms of the Exchange Offers

Upon the terms and subject to the conditions set forth in this prospectus and in the letter of transmittal, we will accept any and all original notes validly tendered and not withdrawn prior to 5:00 p.m., New York City time, on , 2008, or such date and time to which we extend the exchange offers. We will issue $1,000 in principal amount of exchange notes in exchange for each $1,000 principal amount of original notes accepted in the exchange offers. Holders may tender some or all of their original notes pursuant to the exchange offers. Original senior cash pay notes and original senior subordinated notes may be tendered only in denominations of $2,000 and any integral multiples of $1,000 in excess of $2,000. Original senior toggle notes may be tendered only in denominations of $2,000 and any integral multiple of $2,000.

The exchange notes will evidence the same debt as the original notes and will be issued under the terms of, and entitled to the benefits of, the applicable indenture relating to the original notes.

As of the date of this prospectus: (a) $775 million in aggregate principal amount of original senior cash pay notes were outstanding, and there was one registered holder, a nominee of DTC; (b) $775 million in aggregate principal amount of original senior toggle notes were outstanding, and there was one registered holder, a nominee of DTC, and (c) $1,015 million in aggregate principal amount of original senior subordinated notes were outstanding, and there was one registered holder, a nominee of DTC. This prospectus, together with the letter of transmittal, is being sent to the registered holder of original notes. We intend to conduct the exchange offers in accordance with the applicable requirements of the Exchange Act and the rules and regulations of the SEC promulgated under the Exchange Act.

We will be deemed to have accepted validly tendered original notes when, as and if we have given oral or written notice thereof to Wells Fargo Bank, N.A., which is acting as the exchange agent. The exchange agent will act as agent for the tendering holders for the purpose of receiving the exchange notes from us. If any tendered original notes are not accepted for exchange because of an invalid tender, the occurrence of certain other events

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set forth under the heading Conditions to the Exchange Offers, any such unaccepted original notes will be returned, without expense, to the tendering holder of those original notes promptly after the expiration date unless the exchange offers are extended.

Holders who tender original notes in the exchange offers will not be required to pay brokerage commissions or fees or, subject to the instructions in the letter of transmittal, transfer taxes with respect to the exchange of original notes in the exchange offers. We will pay all charges and expenses, other than certain applicable taxes, applicable to the exchange offers. See Fees and Expenses.

Expiration Date; Extensions; Amendments

The expiration date shall be 5:00 p.m., New York City time, on , 2008, unless we, in our sole discretion, extend the exchange offers, in which case the expiration date shall be the latest date and time to which the exchange offers are extended. In order to extend the exchange offers, we will notify the exchange agent and each registered holder of any extension by oral or written notice prior to 9:00 a.m., New York City time, on the next business day after the previously scheduled expiration date and will also disseminate notice of any extension by press release or other public announcement prior to 9:00 a.m., New York City time on such date. We reserve the right, in our sole discretion:

- to delay accepting any original notes, to extend the exchange offers or, if any of the conditions set forth under Conditions to the Exchange Offers shall not have been satisfied, to terminate the exchange offers, by giving oral or written notice of that delay, extension or termination to the exchange agent, or
- to amend the terms of the exchange offers in any manner.

Procedures for Tendering

When the holder of original notes tenders, and we accept such notes for exchange pursuant to that tender, a binding agreement between us and the tendering holder is created, subject to the terms and conditions set forth in this prospectus and the accompanying letter of transmittal. Except as set forth below, a holder of original notes who wishes to tender such notes for exchange must, on or prior to the expiration date:

- transmit a properly completed and duly executed letter of transmittal, including all other documents required by such letter of transmittal, to Wells Fargo Bank, N.A., which will act as the exchange agent, at the address set forth below under the heading The Exchange Agent ;
- comply with DTC s Automated Tender Offer Program, or ATOP, procedures described below; or
- if original notes are tendered pursuant to the book-entry procedures set forth below, the tendering holder must transmit an agent s message to the exchange agent as per DTC, Euroclear Bank S.A./N.V., as operator of the Euroclear system, which we refer to as Euroclear, or Clearstream Banking S.A., which we refer to as Clearstream, (as appropriate) procedures.

In addition, either:

- the exchange agent must receive the certificates for the original notes and the letter of transmittal;
- the exchange agent must receive, prior to the expiration date, a timely confirmation of the book-entry transfer of the original notes being tendered, along with the letter of transmittal or an agent s message; or

the holder must comply with the guaranteed delivery procedures described below.

The term agent s message means a message, transmitted to DTC, Euroclear or Clearstream, as appropriate, and received by the exchange agent and forming a part of a book-entry transfer, or book-entry confirmation, which states that DTC, Euroclear or Clearstream, as appropriate, has received an express acknowledgement that the tendering holder agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against such holder.

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The method of delivery of the original notes, the letters of transmittal and all other required documents is at the election and risk of the holders. If such delivery is by mail, we recommend registered mail, properly insured, with return receipt requested. In all cases, you should allow sufficient time to assure timely delivery. No letters of transmittal or original notes should be sent directly to us.

Signatures on a letter of transmittal or a notice of withdrawal must be guaranteed by an eligible institution unless the original notes surrendered for exchange are tendered:

- by a registered holder of the original notes; or
- for the account of an eligible institution.

An eligible institution is a firm which is a member of a registered national securities exchange or a member of the Financial Industry Regulatory Authority, Inc., or a commercial bank or trust company having an office or correspondent in the United States.

If original notes are registered in the name of a person other than the signer of the letter of transmittal, the original notes surrendered for exchange must be endorsed by, or accompanied by a written instrument or instruments of transfer or exchange, in satisfactory form to the exchange agent and as determined by us in our sole discretion, duly executed by the registered holder with the holder s signature guaranteed by an eligible institution.

We will determine all questions as to the validity, form, eligibility (including time of receipt) and acceptance of original notes tendered for exchange in our sole discretion. Our determination will be final and binding. We reserve the absolute right to:

- reject any and all tenders of any original note improperly tendered;
- refuse to accept any original note if, in our judgment or the judgment of our counsel, acceptance of the original note may be deemed unlawful; and
- waive any defects or irregularities or conditions of the exchange offers as to any particular original note based on the specific facts or circumstances presented either before or after the expiration date, including the right to waive the ineligibility of any holder who seeks to tender original notes in the exchange offers.

Notwithstanding the foregoing, we do not expect to treat any holder of original notes differently from other holders to the extent they present the same facts or circumstances.

Our interpretation of the terms and conditions of the exchange offers as to any particular original notes either before or after the expiration date, including the letter of transmittal and the instructions to it, will be final and binding on all parties. Holders must cure any defects and irregularities in connection with tenders of notes for exchange within such reasonable period of time as we will determine, unless we waive such defects or irregularities. Neither we, the exchange agent nor any other person shall be under any duty to give notification of any defect or irregularity with respect to any tender of original notes for exchange, nor shall any of us incur any liability for failure to give such notification.

If a person or persons other than the registered holder or holders of the original notes tendered for exchange signs the letter of transmittal, the tendered original notes must be endorsed or accompanied by appropriate powers of attorney, in either case signed exactly as the name or names of the registered holder or holders that appear on the original notes.

If trustees, executors, administrators, guardians, attorneys-in-fact, officers of corporations or others acting in a fiduciary or representative capacity sign the letter of transmittal or any original notes or any power of attorney, these persons should so indicate when signing, and you must submit proper evidence satisfactory to us of those persons authority to so act unless we waive this requirement.

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By tendering, each holder will represent to us that the person acquiring exchange notes in the exchange offers, whether or not that person is the holder, is obtaining them in the ordinary course of its business, and at the time of the commencement of the exchange offers neither the holder nor, to the knowledge of such holder, that other person receiving exchange notes from such holder has any arrangement or understanding with any person to participate in the distribution (within the meaning of the Securities Act) of the exchange notes issued in the exchange offers in violation of the provisions of the Securities Act. If any holder or any other person receiving exchange notes from such holder is an affiliate, as defined under Rule 405 of the Securities Act, of us, or is engaged in or intends to engage in or has an arrangement or understanding with any person to participate in a distribution (within the meaning of the Securities Act) of the notes in violation of the provisions of the Securities Act to be acquired in the exchange offers, the holder or any other person:

- may not rely on applicable interpretations of the staff of the SEC; and
- must comply with the registration and prospectus delivery requirements of the Securities Act in connection with any resale transaction.

Each broker-dealer who acquired its original notes as a result of market-making activities or other trading activities, and thereafter receives exchange notes issued for its own account in the exchange offers, must acknowledge that it will comply with the applicable provisions of the Securities Act (including, but not limited to, delivering this prospectus in connection with any resale of such exchange notes issued in the exchange offers). The letter of transmittal states that by so acknowledging and by delivering a prospectus, a broker-dealer will not be deemed to admit that it is an underwriter within the meaning of the Securities Act. See Plan of Distribution for a discussion of the exchange and resale obligations of broker-dealers.

Acceptance of Original Notes for Exchange; Delivery of Exchange Notes Issued in the Exchange Offers

Upon satisfaction or waiver of all the conditions to the exchange offers, we will accept, promptly after the expiration date, all original notes properly tendered and will issue exchange notes registered under the Securities Act in exchange for the tendered original notes. For purposes of the exchange offers, we shall be deemed to have accepted properly tendered original notes for exchange when, as and if we have given oral or written notice to the exchange agent, with written confirmation of any oral notice to be given promptly thereafter, and complied with the applicable provisions of the registration rights agreements. See Conditions to the Exchange Offers for a discussion of the conditions that must be satisfied before we accept any original notes for exchange.

For each original note accepted for exchange, the holder will receive an exchange note registered under the Securities Act having a principal amount equal to that of the surrendered original note. Registered holders of exchange notes issued in the exchange offers on the relevant record date for the first interest payment date following the consummation of the exchange offers will receive interest accruing from the most recent date to which interest has been paid or, if no interest has been paid, from the issue date of the original notes. Holders of exchange notes will not receive any payment in respect of accrued interest on original notes otherwise payable on any interest payment date, the record date for which occurs on or after the consummation of the exchange offers. Under the registration rights agreements, we may be required to make payments of additional interest to the holders of the original notes under circumstances relating to the timing of the exchange offers.

In all cases, we will issue exchange notes for original notes that are accepted for exchange only after the exchange agent timely receives:

- certificates for such original notes or a timely book-entry confirmation of such original notes into the exchange agent s account at DTC, Euroclear or Clearstream, as appropriate;
- a properly completed and duly executed letter of transmittal or an agent s message; and
- all other required documents.

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If for any reason set forth in the terms and conditions of the exchange offers we do not accept any tendered original notes, or if a holder submits original notes for a greater principal amount than the holder desires to exchange, we will return such unaccepted or nonexchanged notes without cost to the tendering holder. In the case of original notes tendered by book-entry transfer into the exchange agent s account DTC, Euroclear or Clearstream, the nonexchanged notes will be credited to an account maintained with DTC, Euroclear or Clearstream. We will return the original notes or have them credited to DTC, Euroclear or Clearstream accounts, as appropriate, promptly after the expiration or termination of the exchange offers.

Book-Entry Transfer

The participant should transmit its acceptance to DTC, Euroclear or Clearstream, as the case may be, on or prior to the expiration date or comply with the guaranteed delivery procedures described below. DTC, Euroclear or Clearstream, as the case may be, will verify the acceptance and then send to the exchange agent confirmation of the book-entry transfer. The confirmation of the book-entry transfer will be deemed to include an agent s message confirming that DTC, Euroclear or Clearstream, as the case may be, has received an express acknowledgment from the participant that the participant has received and agrees to be bound by the letter of transmittal and that we may enforce the letter of transmittal against such participant. Delivery of exchange notes issued in the exchange offers may be effected through book-entry transfer at DTC, Euroclear or Clearstream, as the case may be. However, the letter of transmittal or facsimile thereof or an agent s message, with any required signature guarantees and any other required documents, must:

- be transmitted to and received by the exchange agent at the address set forth below under The Exchange Agent on or prior to the expiration date; or
- comply with the guaranteed delivery procedures described below.

DTC s ATOP program is the only method of processing exchange offers through DTC. To accept exchange offers through ATOP, participants in DTC must send electronic instructions to DTC through DTC s communication system. In addition, such tendering participants should deliver a copy of the letter of transmittal to the exchange agent unless an agent s message is transmitted in lieu thereof. DTC is obligated to communicate those electronic instructions to the exchange agent through an agent s message. Any instruction through ATOP, such as an agent s message, is at your risk and such instruction will be deemed made only when actually received by the exchange agent.

In order for an acceptance of exchange offers through ATOP to be valid, an agent s message must be transmitted to and received by the exchange agent prior to the expiration date, or the guaranteed delivery procedures described below must be complied with. Delivery of instructions to DTC does not constitute delivery to the exchange agent.

Guaranteed Delivery Procedures

If a holder of original notes desires to tender such notes and the holder s original notes are not immediately available, or time will not permit the holder s original notes or other required documents to reach the exchange agent before the expiration date, or the procedure for book-entry transfer cannot be completed on a timely basis, a tender may be effected if:

- the holder tenders the original notes through an eligible institution;
- prior to the expiration date, the exchange agent receives from such eligible institution a properly completed and duly executed notice of guaranteed delivery, acceptable to us, by telegram, telex, facsimile transmission, mail or hand delivery, setting forth the name and address of the holder of the original notes tendered, the certificate number of numbers of such original notes and the amount of the original notes being tendered. The notice of guaranteed delivery shall state that the tender is being made and guarantee that within three New York Stock Exchange trading days after the expiration date,

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the certificates for all physically tendered original notes, in proper form for transfer, or a book-entry confirmation, as the case may be, together with a properly completed and duly executed letter of transmittal or agent s message with any required signature guarantees and any other documents required by the letter of transmittal will be deposited by the eligible institution with the exchange agent; and

the exchange agent receives the certificates for all physically tendered original notes, in proper form for transfer, or a book-entry confirmation, as the case may be, together with a properly completed and duly executed letter of transmittal or agent s message with any required signature guarantees and any other documents required by the letter of transmittal, within three New York Stock Exchange trading days after the expiration date.

Withdrawal of Tenders

You may withdraw tenders of your original notes at any time prior to the expiration of the exchange offers.

For a withdrawal to be effective, you must send a written notice of withdrawal to the exchange agent at the address set forth below under Exchange Agent. Any such notice of withdrawal must:

specify the name of the person that has tendered the original notes to be withdrawn;

identify the original notes to be withdrawn, including the principal amount of such outstanding notes; and

where certificates for original notes are transmitted, specify the name in which original notes are registered, if different from that of the withdrawing holder.

If certificates for original notes have been delivered or otherwise identified to the exchange agent, then, prior to the release of such certificates, the withdrawing holder must also submit the serial numbers of the particular certificates to be withdrawn and signed notice of withdrawal with signatures guaranteed by an eligible institution unless such holder is an eligible institution. If original notes have been tendered pursuant to the procedure for book-entry transfer described above, any notice of withdrawal must specify the name and number of the account at DTC, Euroclear or Clearstream, as applicable, to be credited with the withdrawn notes and otherwise comply with the procedures of such facility.

We will determine all questions as to the validity, form and eligibility (including time of receipt) of notices of withdrawal and our determination will be final and binding on all parties. Any tendered notes so withdrawn will be deemed not to have been validly tendered for exchange for purposes of the exchange offers. Any original notes which have been tendered for exchange but which are not exchanged for any reason will be returned to the holder thereof without cost to such holder. In the case of outstanding notes tendered by book-entry transfer into the exchange agent s account at DTC, Euroclear or Clearstream, as applicable, the original notes withdrawn will be unlocked with DTC, Euroclear or Clearstream, as applicable, for the original notes. The original notes will be returned promptly after withdrawal, rejection of tender or termination of the exchange offers. Properly withdrawn original notes may be re-tendered by following one of the procedures described under Procedures for Tendering above at any time on or prior to 5:00 p.m., New York City time, on the expiration date.

Conditions to the Exchange Offers

Notwithstanding any other provision of the exchange offers, we may (a) refuse to accept any original notes and return all tendered original notes to the tendering holders, (b) extend the exchange offers and retain all original notes tendered before the expiration of the exchange offers, subject, however, to the rights of holders to withdraw those original notes, or (c) waive the unsatisfied conditions with respect to the exchange offers and accept all properly tendered original notes that have not been withdrawn, if we determine, in our reasonable judgment, that (i) the exchange offers violate applicable law, any applicable interpretation of the staff of the SEC; (ii) an action or proceeding shall have been instituted or threatened in any court or by any governmental

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agency which might materially impair our ability to proceed with the exchange offers or a material adverse development shall have occurred in any existing action or proceeding with respect to us; or (iii) all governmental approvals that we deem necessary for the consummation of the exchange offers have not been obtained.

The foregoing conditions are for our sole benefit and may be asserted by us regardless of the circumstances giving rise to any such condition or may be waived by us in whole or in part at any time and from time to time. The failure by us at any time to exercise any of the foregoing rights shall not be deemed a waiver of any of those rights and each of those rights shall be deemed an ongoing right which may be asserted at any time and from time to time.

In addition, we will not accept for exchange any original notes tendered, and no exchange notes will be issued in exchange for those original notes, if at such time any stop order shall be threatened or in effect with respect to the registration statement of which this prospectus constitutes a part or the qualification of the indenture under the Trust Indenture Act of 1939. In any of those events we are required to use every reasonable effort to obtain the withdrawal of any stop order at the earliest possible time.

Effect of Not Tendering

Holders who desire to tender their original notes in exchange for exchange notes registered under the Securities Act should allow sufficient time to ensure timely delivery. Neither the exchange agent nor we are under any duty to give notification of defects or irregularities with respect to the tenders of original notes for exchange.

Original notes that are not tendered or are tendered but not accepted will, following the consummation of the exchange offers, continue to accrue interest and to be subject to the provisions in the indenture regarding the transfer and exchange of the original notes and the existing restrictions on transfer set forth in the legend on the original notes and in the offering memoranda dated September 21, 2007 and October 11, 2007, relating to the original notes. After completion of these exchange offers, we will have no further obligation to provide for the registration under the Securities Act of those original notes except in limited circumstances with respect to specific types of holders of original notes and we do not intend to register the original notes under the Securities Act. In general, original notes, unless registered under the Securities Act, may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the Securities Act and applicable state securities laws.

Exchange Agent

All executed letters of transmittal should be directed to the exchange agent. Wells Fargo Bank, N.A. has been appointed as exchange agent for the exchange offers. Questions, requests for assistance and requests for additional copies of this prospectus or of the letter of transmittal should be directed to the exchange agent addressed as follows:

By Registered and Certified Mail:

Wells Fargo Bank, N.A.

Corporate Trust Operations

MAC N9303-121

P.O. Box 1517

Minneapolis, MN 55480

By Overnight Courier or Regular Mail:

Wells Fargo Bank, N.A.

Corporate Trust Operations

MAC N9303-121

6th & Marquette Avenue

Minneapolis, MN 55479

By Facsimile Transmission:

(612) 667-6282

Confirm by Telephone:

(800) 344-5128

By Hand Delivery:

Wells Fargo Bank, N.A.

Corporate Trust Services

608 2nd Avenue South

Northstar East Building 12th Floor

Minneapolis, MN 55402

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Fees and Expenses

We will not make any payments to brokers, dealers or others soliciting acceptances of the exchange offers. The estimated cash expenses to be incurred in connection with the exchange offers will be paid by us and will include fees and expenses of the exchange agent, accounting, legal, printing and related fees and expenses.

Accounting Treatment

We will record the exchange notes at the same carrying value as the original notes, as reflected in our accounting records on the date of the exchange. Accordingly, we will not recognize any gain or loss for accounting purposes as the terms of the exchange notes are substantially identical to those of the original notes. The expenses of the exchange offers will be amortized over the terms of the exchange notes.

Transfer Taxes

Holders who tender their original notes for exchange will not be obligated to pay any transfer taxes in connection with that tender or exchange, except that holders who instruct us to register exchange notes in the name of, or request that original notes not tendered or not accepted in the exchange offers be returned to, a person other than the registered tendering holder will be responsible for the payment of any applicable transfer tax on those original notes.

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THE TRANSACTIONS

On December 18, 2006, we entered into the Merger Agreement with Parent and Purchaser. Pursuant to the Merger Agreement, on June 13, 2007, Purchaser commenced the Offer, to purchase all of our outstanding Shares at the Offer Price without interest and less any required withholding taxes. The Offer was made pursuant to Purchaser s offer to purchase dated June 13, 2007 and the related letter of transmittal, each of which was filed with the SEC on June 13, 2007. The Offer expired at 12:00 midnight, New York City time, on July 11, 2007, with approximately 82% of the outstanding Shares having been tendered to Purchaser. At our special meeting of shareholders held on September 5, 2007, more than 91% of our shareholders voted to approve the Merger, and Parent acquired us on September 25, 2007 through a reverse subsidiary merger with Purchaser with Biomet, Inc. being the surviving company. Subsequent to the acquisition, we became a subsidiary of Parent, which is controlled by Holding, an entity controlled by the Sponsors and their Co-Investors.

The Merger was completed on September 25, 2007 and was financed through:

- the proceeds from the initial offering of the original notes;
- initial borrowings under our senior secured credit facilities and our senior unsecured bridge facilities;
- equity investments funded by direct and indirect equity investments from the Sponsor Funds, the Co-Investors, and the Management Participants, who rolled over existing equity interests and/or made cash equity contributions; and
- our cash on hand.

On October 16, 2007, the borrowings under our senior unsecured cash pay bridge facility, our senior unsecured PIK-option bridge facility and our senior subordinated unsecured bridge facility were repaid with the proceeds from the follow-on offering of the equal amounts of the additional original senior cash pay notes, original senior toggle notes and original senior subordinated notes, respectively.

We refer to these transactions, including the Merger and our payment of any fees and expenses related to these transactions, collectively as the Transactions. See Description of Other Indebtedness for a description of our senior secured credit facilities.

In connection with the Transactions, we incurred significant indebtedness and became highly leveraged. See Management s Discussion and Analysis of Financial Condition and Results of Operations Liquidity and Capital Resources. In addition, we allocated the purchase price to the fair value of the assets and liabilities of Biomet based on estimated fair value. The preliminary purchase accounting adjustments increased the carrying value of our property and equipment, inventory and established intangible assets (such as corporate and product trade names, core and completed technology and customer relationships), among other things. Subsequent to the Transactions, interest expense and non-cash depreciation and amortization charges have significantly increased. As a result, our successor financial statements subsequent to the Transactions are not comparable to our predecessor financial statements.

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USE OF PROCEEDS

This exchange offers are intended to satisfy certain of our obligations under the registration rights agreements. We will not receive any proceeds from the issuance of the exchange notes in the exchange offers. In exchange for each of the exchange notes, we will receive original notes in like principal amount. We will retire or cancel all of the original notes tendered in the exchange offers. Accordingly, issuance of the exchange notes will not result in any change in our capitalization.

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CAPITALIZATION

The following table sets forth our consolidated cash, cash equivalents and investments and capitalization as of February 29, 2008. You should read the data set forth in the table below in conjunction with The Transactions, Selected Historical Consolidated Financial and Other Data, Management s Discussion and Analysis of Financial Condition and Results of Operations, Description of Other Indebtedness and our financial statements and the related notes included elsewhere in this prospectus.

	As of February 29, 2008 (unaudited) ($ in millions)
Cash and short-term investments	$ 97
Debt:	
European line of credit(1)	5
Japanese lines of credit(2)	
Senior secured credit facilities:	
Term loan facilities(3)	3,659
Cash flow revolving credit facility(4)	74
Asset-based revolving credit facility(5).	
Senior cash pay notes	775
Senior toggle notes	775
Senior subordinated notes	1,015
Premium on debt	6
Total debt	6,309
Shareholder s equity	4,446
Total capitalization	$ 10,755

(1) We have an unsecured European line of credit in the amount of 100 million (approximately $152 million). As of February 29, 2008, we had $5 million outstanding borrowings under this credit line.

(2) We have two unsecured Japanese lines of credit in the amount of ¥2.5 billion (approximately $24 million). As of February 29, 2008, there were no outstanding borrowings under these credit lines.

(3) On September 25, 2007, we entered into a $2,340 million U.S. dollar-denominated senior secured term loan facility and a 875 million (approximately $1,329 million) euro-denominated senior secured term loan facility, each with a seven and a half-year maturity. We borrowed the full amount available under our senior secured term loan facilities at the closing of the Transactions to pay a portion of the Transactions. In the third quarter of fiscal 2008, we repaid $6 million of outstanding loans under our U.S. dollar-denominated senior secured term loan facility and $3 million of outstanding loans under our euro-denominated senior secured term loan facility.

(4) On September 25, 2007, we entered into a $400 million senior secured cash flow revolving credit facility with a six-year maturity. We borrowed approximately $131 million under our senior secured cash flow revolving credit facility on or about the closing date of the Transactions to pay a portion of the Transactions. As of February 29, 2008, we had $74 million outstanding borrowings under our senior secured cash flow revolving credit facility.

(5) On September 25, 2007, we entered into a $350 million senior secured asset-based revolving credit facility with a six-year maturity. As of February 29, 2008, the borrowing base under our senior secured asset-based revolving credit facility was $350 million. As of February 29, 2008, we did not have any outstanding borrowings under our senior secured asset-based revolving credit facility.

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UNAUDITED PRO FORMA CONDENSED CONSOLIDATED FINANCIAL DATA

The following unaudited pro forma condensed consolidated statements of operations have been developed by applying pro forma adjustments to the historical audited and unaudited consolidated financial statements of Biomet appearing elsewhere in this prospectus. The unaudited pro forma condensed consolidated statements of operations for the fiscal year ended May 31, 2007 gives effect to the Transactions as if they had occurred on June 1, 2006 and the unaudited pro forma condensed consolidated statements of operations for the nine months ended February 29, 2008 gives effect to the Transactions as if they had occurred on June 1, 2006. Assumptions underlying the pro forma adjustments are described in the accompanying notes, which should be read in conjunction with these unaudited pro forma condensed consolidated statements of operations. Although Biomet continues as the same legal entity after the Merger, Holding s cost of acquiring Biomet has been pushed-down to establish a new accounting basis for Biomet.

The unaudited pro forma adjustments are based upon available information and certain assumptions that we believe are reasonable under the circumstances. The unaudited pro forma condensed consolidated financial data is presented for informational purposes only. The unaudited pro forma condensed consolidated financial data does not purport to represent what our results of operations would have been had the Transactions actually occurred on the dates indicated and they do not purport to project our results of operations for any future period. The unaudited pro forma condensed consolidated financial statements should be read in conjunction with the information contained in the The Transactions, Selected Historical Consolidated Financial and Other Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our historical audited and unaudited consolidated financial statements and related notes thereto appearing elsewhere in this prospectus. All pro forma adjustments and their underlying assumptions are described more fully in the notes to our unaudited pro forma condensed consolidated statements of operations.

The Transactions are being accounted for using the purchase method of accounting. The pro forma information presented, including allocations of the purchase price, is based on preliminary estimates of the fair values of assets acquired and liabilities assumed, available information and assumptions and will be revised as additional information becomes available.

The final purchase price allocation is dependent on, among other things, the finalization of certain asset and liability valuations and related tax effects. As of the date of this prospectus, we have not completed all aspects of the valuation process necessary to estimate the fair values of the assets we have acquired and liabilities we have assumed and the related allocation of purchase price. We have allocated the total purchase price, calculated as described in Note 1 to our unaudited condensed consolidated financial statements contained elsewhere in the prospectus, to the assets acquired and liabilities assumed based on preliminary estimates of their fair values. A final determination of these fair values will reflect our consideration of expected future cash flows, market data and comparables, and the related tax effects. Any final adjustment will change the allocations of purchase price, which could affect the fair value assigned to the assets and liabilities and could result in a change to the unaudited pro forma condensed consolidated statements of operations.

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Unaudited Pro Forma Condensed Consolidated Statements of Operations

for the Fiscal Year Ended May 31, 2007

	Historical Biomet	Pro Forma Adjustments(a) ($ in millions)	Pro Forma Biomet
Net sales	$ 2,107.4	$	$ 2,107.4
Cost of sales	642.3	8.1(b)	650.4
Gross margin	1,465.1	(8.1)	1,457.0
Selling, general and administrative expenses	881.1	7.2(c)	888.3
Research and development expense	94.4		94.4
Amortization		362.1(b)	362.1
Operating income	489.6	(377.4)	112.2
Other income (loss), net	21.3	(15.9)(d)	5.4
Interest expense	(9.3)	(584.3)(e)	(593.6)
Income (loss) before income taxes	501.6	(977.6)	(476.0)
Provision (benefit) for income taxes	165.7	(356.1)(f)	(190.4)
Net income (loss)	$ 335.9	$ (621.5)	$ (285.6)

See Accompanying Notes to Unaudited Pro Forma Condensed Consolidated Statements of Operations

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Unaudited Pro Forma Condensed Consolidated Statements of Operations

for the Nine Months Ended February 29, 2008

	June 1, 2007 through July 11, 2007 (Predecessor)	July 12, 2007 through February 29, 2008 (Successor)	Pro Forma Adjustments(a) ($ in millions)	Pro Forma Biomet
Net sales	$ 248.8	$ 1,498.9	$	$ 1,747.7
Cost of sales	102.3	613.5	(186.5)(a)(b)	529.3
Gross margin	146.5	885.4	186.5	1,218.4
Selling, general and administrative expenses	194.2	833.8	(353.0)(a)	675.0
Research and development expense	34.0	58.6	(23.0)(a)	69.6
In-process research and development		479.0	(479.0)(a)	
Amortization	0.5	227.1	40.1(b)	267.7
Operating income	(82.2)	(713.1)	1,001.4	206.1
Interest expense	(0.3)	(371.7)	(73.3)(e)	(445.3)
Other income (loss), net	0.6	(1.1)	(d)	(0.5)
Income (loss) before income taxes	(81.9)	(1,085.9)	928.1	(239.7)
Provision (benefit) for income taxes	(27.3)	(213.2)	138.8(f)	(101.7)
Net income (loss)	$ (54.6)	$ (872.7)	$ 789.3	$ (138.0)

See Accompanying Notes to Unaudited Pro Forma Condensed Consolidated Statements of Operations.

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Notes to Unaudited Pro Forma Condensed Consolidated Statements of Operations

(a) As a result of the Transactions, we recorded certain expenses that have not been included in the pro forma condensed consolidated statements of operations for any period. The items noted below have been excluded from the pro forma condensed consolidated statements of operations as they will not have a recurring impact.

	As of May 31, 2007	As of February 29, 2008
	($ in millions)	
Write-off of in-process research and development(1)	$ 479.0	$ 479.0
Amortization of inventory write-up	160.3	160.3
Value of cash payment to holders of Options at the close of the Offer	112.0	112.0
Biomet transaction costs(2)	292.0	292.0
Estimated tax benefit(1)	(182.9)	(182.9)
Total after tax expenses	$ 860.4	$ 860.4

(1) Excludes items that are not tax deductible.
(2) Excludes $87.1 million of costs that are deferred and amortized over the life of the related debt instrument.

(b) Represents adjustments to depreciation and amortization based upon preliminary estimates of fair values and useful lives. For the nine months ended February 29, 2008, $1.8 million and $40.1 million reflect step-up depreciation and amortization of acquired intangibles, respectively, for the period from June 1, 2007 through July 11, 2007.

	Estimated Average Useful Lives	Estimated Fair Value ($ in millions)	Depreciation and Amortization Expense Year Ended May 31, 2007
Machinery & Equipment	3 to 7 years	$ 334.7	$ 83.7
Buildings and Leasehold Improvement	10 to 30 years	188.7	$ 12.6
		$ 523.4	$ 96.3
Less historical depreciation			88.2
Net adjustment to depreciation			$ 8.1
Developed Technology and other	6 to 20 years	$ 5,896.7	$ 370.9
Less historical amortization			8.8
Net adjustment to amortization			$ 362.1

(c) Reflects $7.2 million annual monitoring fee for fiscal 2007 paid annually to the Sponsors in accordance with the management services agreement entered into at closing date of the Transactions. See Certain Relationships and Related Party Transactions.

(d) Reflects the adjustment to investment income as a result of the cash and investments used in the Transactions. For the nine months ended February 29, 2008, the amount for the period from June 1, 2007 through July 11, 2007 is de minimus.

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	Year Ended May 31, 2007 ($ in millions)
Interest income on pro forma cash and investments(1)	$ 2.9
Less historical interest income	18.8
Net adjustment to other income, net	$ (15.9)

(1) Calculated based on a minimum cash balance at the closing date of the Merger of $57.0 million and an assumed return rate of 5.0%.

(e) Reflects pro forma interest expense resulting from our capital structure upon consummation of the Transactions, using an assumed three-month LIBOR rate of 5.500% and an assumed three-month Euro currency rate of 4.745% (as of February 29, 2008, the three-month LIBOR rate was 3.06% and the three-month Euro currency rate was 4.39%, respectively):

	Assumed Interest Rate	Outstanding Indebtedness	Pro Forma Interest Expense Year Ended May 31, 2007	Pro Forma Interest Expense Nine Months Ended February 29, 2008
		($ in millions)		
Senior secured credit facilities(1)	8.033%	$ 3,800.2	$ 305.3	$ 229.0
Notes(2)	10.756%	2,565.0	275.9	206.9
Senior secured cash flow revolving credit facility commitment fee(3)	0.500%		1.3	1.0
Senior secured asset-based revolving credit facility commitment fee(4)	0.375%		1.3	1.0
Total cash interest expense			583.8	437.9
Amortization of deferred debt issuance costs(5)			9.8	7.4
Total pro forma interest expense			593.6	445.3
Less historical interest expense			9.3	7.0
Net adjustment to interest expense			$ 584.3	$ 438.3

(1) Reflects interest on (i) the $2,340.0 million U.S. dollar-denominated senior secured term loan facility, (ii) the 875.0 million ($1,328.9 million) euro-denominated senior secured term loan facility and (iii) $131.3 million of borrowings ($110 million in borrowings in U.S. dollars and 14 million ($21.3 million) in borrowings in euros) drawn under the $400.0 million senior secured cash flow revolving credit facility that is expected to accrue at the estimated weighted average rate of 8.033%, which takes into account the effect of a series of interest rate swap agreements entered into by the Company to fix the interest rates on approximately 56% of the borrowings under these facilities. In the third quarter of fiscal 2008, we repaid $5.8 million of outstanding loans under our U.S. dollar-denominated senior secured term loan facility and $3.0 million of outstanding loans under our euro-denominated senior secured term loan facility.

(2) Reflects interest on the senior notes and senior subordinated notes that is expected to accrue at the estimated weighted average rate of 10.756%. On or prior to the fifth anniversary of the closing date of the Transactions, for any interest period other than the initial interest period, we may elect to pay PIK interest. To the extent we elect to pay PIK interest, the applicable interest rate for such interest period will be increased by an additional 0.75% per annum, and the additional interest expense would increase by $5.9 million for the year ended May 31, 2007 and by $4.4 million for the nine months ended February 29, 2008.

(3) Represents commitment fee of 0.500% on the assumed undrawn balance of the senior secured cash flow revolving credit facility.

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(4) Represents commitment fee of 0.375% on the assumed undrawn balance of our senior secured asset-based revolving credit facility.
(5) Represents the $87.1 million of deferred debt issuance costs associated with our senior secured credit facilities and the notes offered hereby amortized over (a) six years for the senior secured cash flow revolving facility and the senior secured asset-based revolving credit facility, (b) seven and a half years for the senior secured term loan facilities, and (c) 10 years for senior notes and senior subordinated notes using the effective interest method.

Interest rate sensitivity

An increase or decrease of 0.125% in the interest rate on our senior secured credit facilities would increase or decrease the associated interest expense for the year ended May 31, 2007 and the nine months ended February 29, 2008 as follows:

	Year Ended May 31, 2007	Nine Months Ended February 29, 2008
	($ in millions)	
Senior secured credit facilities	$ 2.1	$ 1.6
Total(1)	$ 2.1	$ 1.6

(1) Reflects the effect of a series of interest rate swap agreements entered into by the Company to fix interest rates.

(f) Represents the tax effect of the taxable pro forma adjustments at an effective rate of 37.0%.

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SELECTED HISTORICAL CONSOLIDATED FINANCIAL AND OTHER DATA

The following table presents our selected historical consolidated financial and other data as of May 31, 2006 and 2007 and for each of the years in the three-year period ended May 31, 2007 have been derived from, and should be read in conjunction with, our audited consolidated financial statements included elsewhere in this prospectus. The selected historical consolidated financial and other data for the years ended May 31, 2003 and 2004 and as of May 31, 2003, 2004 and 2005 have been derived from our audited consolidated financial statements not included in this prospectus. The unaudited summary historical financial information as of and for the nine months ended February 28, 2007 and as of February 29, 2008 and for the period from June 1, 2007 through July 11, 2007 and for the period from July 12, 2007 to February 29, 2008 are derived from, and should be read in conjunction with, our unaudited condensed consolidated financial statements included elsewhere in this prospectus, and, except as otherwise described herein, have been prepared on a basis consistent with our annual audited financial statements and, in the opinion of management, include all adjustments consisting of normal recurring accruals considered necessary for a fair presentation of such data. Certain amounts recorded in previous periods have been reclassified to conform to the current presentation.

The Offer for Biomet s Shares was completed successfully on July 11, 2007. Although Biomet continues as the same legal entity after the Merger, Holding s cost of acquiring Biomet has been pushed-down to establish a new accounting basis for Biomet. Accordingly, the financial information in the table below for the nine months ended February 29, 2008 is presented separately for the period prior to the completion of the Offer (from June 1, 2007 through July 11, 2007, the Predecessor or Predecessor Period) and the period after the completion of the Offer (from July 12, 2007 through February 29, 2008, the Successor or Successor Period), which relate to the accounting periods preceding and succeeding the completion of the Offer. The summary financial information as of February 29, 2008 and for the Successor Period are not comparative to the summary financial information as of and for the nine months ended February 28, 2007 because of the new basis of accounting resulting from the Merger. Our results of operations for the Predecessor Period and the Successor Period should not be considered representative of our future results of operations.

In addition, as noted in Note B of Notes to Consolidated Financial Statements included elsewhere in this prospectus, the summary historical financial information as of and for the year ended May 31, 2007 has been prepared on the basis of an April 30 fiscal year for our foreign subsidiaries for financial reporting purposes. Subsequent to the completion of the Offer, we eliminated this one-month lag at our foreign subsidiaries, and therefore, the summary historical financial information as of and for the year ended May 31, 2007 is not comparative to the summary financial information as of and for the Successor Period due to the elimination of this one-month lag for financial purposes at our foreign subsidiaries.

The summary historical financial information as of May 31, 2005 has been derived from our audited financial statements not included in this prospectus. Please refer to Unaudited Pro Forma Condensed Consolidated Financial Data, Selected Historical Consolidated Financial and Other Data, Management s Discussion and Analysis of Financial Condition and Results of Operations and our financial statements and notes thereto included elsewhere in this prospectus. The audited consolidated financial statements for each of the years in the five-year period ended May 31, 2007 have been audited by Ernst & Young LLP, an independent registered public accounting firm.

As a result of the report from the special committee formed by our Board of Directors, or the Special Committee, to conduct an independent investigation of our past stock option grant practices, and based on the determinations of our Audit Committee, we have restated our consolidated balance sheets as of May 31, 2005 and 2006 and the consolidated statements of operations for the fiscal years ended May 31, 2005 and 2006 to reflect the impact of additional share-based compensation expense and other adjustments described in our Amended Annual Report on Form 10-K/A, which was filed with the SEC on May 29, 2007. The data for the consolidated balance sheets as of May 31, 2003 and 2004 and the consolidated statements of operations for the fiscal year ended May 31, 2003 have also been restated to reflect the impact of additional share-based compensation expense and other

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adjustments, but such restated data has not been audited and is derived from our books and records. See Management s Discussion and Analysis of Financial Condition and Results of Operations Overview Review of Historical Stock Option Grant Practices for more information relating to the review of our historical stock option grant practices.

	Predecessor							Successor
	Fiscal Year Ended May 31,					Nine Months Ended February 28, 2007	June 1, 2007 through July 11, 2007	July 12, 2007 through February 29, 2008
($ in millions)	2003	2004	2005	2006	2007	(unaudited)	(unaudited)	(unaudited)
Statements of Operations Data:								
Net sales	$ 1,390	$ 1,615	$ 1,880	$ 2,026	$ 2,107	$ 1,558	$ 249	$ 1,499
Cost of sales	408	462	533	582	642	454	102	614
Gross margin	982	1,153	1,347	1,444	1,465	1,104	147	885
Selling, general and administrative expenses	502	600	697	750	881	592	194	834
Research and development expense	57	65	80	85	94	71	34	59
In-process research and development		1	26					479
Other charges/(credits)	(6)							
Amortization						6	1	227
Operating income (loss), net	429	487	544	609	490	435	(82)	(713)
Other income (loss), net	18	18	11	14	21	17		(1)
Interest expense	(5)	(4)	(9)	(12)	(9)	(9)		(372)
Income (loss) before income taxes	442	501	546	611	502	443	(82)	(1,086)
Provision (benefit) for income taxes	154	174	197	205	166	149	(27)	(213)
Income (loss) before minority interest	288	327	349	406	336	294	(55)	(873)
Minority interest	8	7						
Net income (loss)	$ 280	$ 320	$ 349	$ 406	$ 336	$ 294	$ (55)	$ (873)

	Predecessor						Successor
	May 31,					February 28,	February 29,
($ in millions)	2003	2004	2005	2006	2007	2007	2008
						(unaudited)	(unaudited)
Balance Sheet Data (at period end):							
Cash and cash equivalents	$ 226	$ 159	$ 91	$ 126	$ 105	$ 126	$ 97
Total current assets	1,121	1,123	1,192	1,299	1,452	1,373	1,421
Total assets	1,681	1,790	2,115	2,283	2,458	2,358	13,602
Short-term borrowings	114	110	282	277	82	100	42
Total current liabilities	272	312	515	518	346	346	608

Total liabilities	391	338	546	563	409	374	9,156
Total shareholders equity	1,290	1,452	1,569	1,720	2,049	1,984	4,446

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($ in millions, except ratios)	Predecessor Fiscal Year Ended May 31, 2003	2004	2005	2006	2007	Nine Months Ended February 28, 2007 (unaudited)	June 1, 2007 through July 11, 2007 (unaudited)	Successor July 12, 2007 through February 29, 2008 (unaudited)
Statement of Cash Flows Data:								
Net cash provided by/(used in):								
Operating activities	$ 310	$ 386	$ 411	$ 413	$ 440	$ 295	$ 60	$ 84
Investing activities	(20)	(253)	(301)	(121)	(214)	(56)	11	(11,708)
Financing activities	(223)	(195)	(98)	(258)	(251)	(239)	1	11,532
Other Financial Data:								
Depreciation and amortization	$ 45	$ 58	$ 70	$ 82	$ 97	$ 69	$ 9	$ 315
Capital expenditures	(60)	(61)	(97)	(109)	(143)	(89)	(22)	(129)
Ratio of earnings to fixed charges(1)	89.4x	126.3x	61.7x	51.9x	56.8x	52.6x		

(1) For purposes of computing the ratio of earnings to fixed charges, earnings consist of operating income plus other income plus cash dividends received from equity interests, less the equity income recorded. Fixed charges consist of interest expense, including amortization of debt issuance costs and interest capitalized. The interest portion of rental expense is not significant. On a pro forma basis, earnings were inadequate to cover fixed charges for fiscal 2007, and the period from July 12, 2007 through February 29, 2008 by $478 million and $430 million, respectively. Earnings were also inadequate to cover fixed charges for the period from June 1, 2007 through July 11, 2007 by $82 million.

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MANAGEMENT S DISCUSSION AND ANALYSIS OF

FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations includes periods prior to the consummation of the Merger. Accordingly, the following discussion and analysis of historical periods does not reflect the significant impact that the Merger has had on us, including significantly increased leverage and liquidity requirements. You should read the following discussion and analysis of our financial condition and results of operations together with the Unaudited Pro Forma Condensed Consolidated Financial Data, Selected Historical Consolidated Financial and Other Data, and our historical audited and unaudited consolidated financial statements and related notes appearing elsewhere in this prospectus. The following discussion and analysis of our financial condition and results of operations contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in Risk Factors and Forward-Looking Statements of this prospectus. Actual results may differ materially from those contained in any forward-looking statements.

Overview

Our Business

We design, manufacture and market a comprehensive range of both surgical and non-surgical products used primarily by orthopedic surgeons and other musculoskeletal medical specialists. We operate in one business segment, musculoskeletal products, which includes the design, manufacture and marketing of products in four major market categories: reconstructive products, fixation devices, spinal products and other products. We have three reportable geographic markets: United States, Europe and International.

Reconstructive products, which represented 71% and 73% of our net sales for fiscal 2007 and our pro forma net sales for the nine months ended February 29, 2008, respectively, include knee, hip and extremity joint replacement systems, as well as dental reconstructive implants, bone cements and accessories, the GPS® System and the procedure-specific instrumentation required to implant our reconstructive systems.

Fixation devices, which represented 11% and 10% of our net sales for fiscal 2007 and our pro forma net sales for the nine months ended February 29, 2008, respectively, include internal and external fixation devices, craniomaxillofacial fixation systems and electrical stimulation devices that do not address the spine.

Spinal products, which represented 10% and 9% of our net sales for fiscal 2007 and our pro forma net sales for the nine months ended February 29, 2008, respectively, include electrical stimulation devices addressing the spine, spinal fixation systems and orthobiologics.

The other product sales category, which represented 8% of our net sales for both fiscal 2007 and our pro forma net sales for the nine months ended February 29, 2008, respectively, includes sports medicine products, softgoods and bracing products, casting materials, general surgical instruments, operating room supplies and other surgical products.

Depending on the intended application, we report sales of bone substitute materials in the reconstructive product, fixation device or spinal product category.

We have operations in over 50 locations and distribute our products in over 70 countries throughout the world and manage our operations through three reportable geographic markets: United States, Europe and International. We are the fourth largest player in the U.S. orthopedic reconstructive market and has maintained this position for over ten years. We supply products to over 60% of U.S. hospitals performing joint replacement surgery. In addition, we are the third largest manufacturer and marketer of dental reconstructive products worldwide and maintains leadership positions in the electrical stimulation and craniomaxillofacial fields. We have a long history of innovation, engineering, quality and successful new product launches. Demonstrating our research and development leadership, we have launched approximately 800 new products in the past nine fiscal years and plan to introduce approximately 100 new products during fiscal 2009.

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The Transactions

On December 18, 2006, we entered into the Merger Agreement with Parent and Purchaser. Pursuant to the Merger Agreement, on June 13, 2007, Purchaser commenced the Offer, to purchase all of our outstanding Shares at the Offer Price without interest and less any required withholding taxes. The Offer was made pursuant to Purchaser s offer to purchase dated June 13, 2007 and the related letter of transmittal, each of which was filed with the SEC on June 13, 2007. The Offer expired at 12:00 midnight, New York City time, on July 11, 2007, with approximately 82% of the outstanding Shares having been tendered to Purchaser. At our special meeting of shareholders held on September 5, 2007, more than 91% of our shareholders voted to approve the Merger, and Parent acquired us on September 25, 2007 through a reverse subsidiary merger with Biomet, Inc. being the surviving company. Subsequent to the acquisition, we are a subsidiary of our Parent, which is controlled by Holding, an entity controlled by the Sponsors and their Co-Investors. Parent s sole asset is 100% of the capital stock of the Company. Accordingly, a separate discussion of Parent s financial condition and results of operations is not provided since the Company is representative of Parent s consolidated operations.

The Offer for Biomet s Shares was completed successfully on July 11, 2007. Although Biomet continues as the same legal entity after the Merger, Holding s cost of acquiring Biomet has been pushed-down to establish a new accounting basis for Biomet. Accordingly, the financial information in the table below for the nine months ended February 29, 2008 is presented separately for the period prior to the completion of the Offer (from June 1, 2007 through July 11, 2007, the Predecessor or Predecessor Period) and the period after the completion of the Offer (from July 12, 2007 through February 29, 2008, the Successor or Successor Period), which relate to the accounting periods preceding and succeeding the completion of the Offer. The financial information as of February 29, 2008 and for the Successor Period are not comparative to the financial information as of and for the nine months ended February 28, 2007 because of the new basis of accounting resulting from the Merger. We have prepared our discussion of the results of operations by comparing the results of operations of the Predecessor Period to the historical nine months ended February 28, 2007. A comparative discussion of the results of operations for the Successor Period has not been provided due to the lack of a comparable period for the Predecessor; however, we have included a brief discussion of the factors that materially affected our results of operations in the Successor Period. Our results of operations for the Predecessor Period and the Successor Period should not be considered representative of our future results of operations.

In connection with the Transactions, we incurred significant indebtedness and became highly leveraged. See Liquidity and Capital Resources. In addition, the purchase price paid in connection with the acquisition has been allocated to state the acquired assets and liabilities at fair value.

We allocated the purchase price to the fair value of the assets and liabilities of Biomet based on estimated fair values utilizing generally accepted valuation methodologies. Both assets and liabilities were valued as of July 11, 2007. As noted in the purchase price allocation, in-process research and development projects were acquired. The most significant projects acquired occurred in the hip, knee and spine divisions. We expect to use these products to leverage and build on those products that have been in the market place for a number of years. We expect to launch products from these projects over the next 36 months, subject to regulatory approval. The preliminary purchase accounting adjustments increased the carrying value of our property and equipment, inventory and established intangible assets (such as corporate and product trade names, core and completed technology and customer relationships), among other things. Subsequent to the Transactions, interest expense and non-cash depreciation and amortization charges have significantly increased. As a result, our Successor financial statements subsequent to the Transactions are not comparable to our Predecessor financial statements.

The purchase price allocation was based on information currently available to us, and expectations, assumptions, and valuation methodologies deemed reasonable by our management. No assurance can be given, however, that the underlying assumptions used to estimate expected technology based product revenues, development costs or profitability, or the events associated with such technology, will occur as projected. Certain other fair value estimates require additional information before being finalized, certain intellectual property and other matters, investments, and inventory and instruments associated with brands we are considering to

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discontinue. For these reasons, among others, the actual results may vary from the projected results. The final valuation and associated purchase price allocation is expected to be completed as soon as possible, but no later than one year from the completion of the acquisition. To the extent that the estimates need to be adjusted, we will do so.

In addition, as noted in Note B of Notes to Consolidated Financial Statements included elsewhere in this prospectus, the summary historical financial information as of and for the year ended May 31, 2007 has been prepared on the basis of an April 30 fiscal year for certain of our foreign subsidiaries for financial reporting purposes. Subsequent to the completion of the Offer, we eliminated this one-month lag at our foreign subsidiaries, and therefore, the summary historical financial information as of and for the year ended May 31, 2007 is not comparative to the summary financial information for the Successor Period due to the elimination of this one-month lag for financial reporting purposes at our foreign subsidiaries. The effect of this one-month lag elimination at our foreign subsidiaries is not considered material to the condensed consolidated financial statements as of and for the Successor Period.

Review of Historical Stock Option Grant Practices

In December 2006, following the publication of an analyst report suggesting that certain of our historical grants of Options took place on dates when our stock price was trading at relatively low prices and the filing of two shareholder derivative lawsuits alleging improper backdating of Options, our Board of Directors formed the Special Committee to conduct an independent investigation of our stock option grants for the period from March 1996 to May 2006 and to determine whether we had any claims arising out of any inappropriate stock option backdating and, if so, whether it was in our best interest and the best interest of our shareholders to pursue any such claim.

On December 18, 2006 and March 30, 2007, we announced preliminary reports from the Special Committee. Based upon an analysis of these reports and relevant accounting literature, including SAB No. 99, the Audit Committee determined on March 30, 2007 that we should amend our Annual Report on Form 10-K for fiscal 2006 and our Quarterly Report on Form 10-Q for the period ended August 31, 2006 to reflect the restatement of our consolidated financial statements (fiscal 2004, 2005 and 2006 and periods ended August 31, 2005 and 2006) and related disclosures reflected therein. In light of the Special Committee s preliminary report discussed below, we announced that our previously issued financial statements and any related reports of our independent registered public accounting firm should not be relied upon. On May 25, 2007, the Board of Directors received and discussed the updated findings contained in the Special Committee s final report.

The Special Committee s investigation was based upon review of an extensive collection of physical and electronic documents, interviews of more than two dozen individuals and analysis of approximately 17,000 grants to purchase approximately 17,000,000 Shares on over 500 different grant dates over the 11-year period from March 1996 through May 2006. The Special Committee made the following findings:

- our written stock option plans were treated by our management, and our Compensation and Stock Option Committee, as formalities concerning the manner in which individual stock option grants were to be approved, resulting in a failure to abide by the terms of the plans;

- we failed to receive appropriate legal or accounting advice from our former general counsel and the chief financial officer related to our stock option program and, as a result, relevant legal and accounting rules were not followed;

- we failed to put in place and implement internal controls to manage our stock option program, including failing to devote sufficient resources to the administration of our stock option program;

- we failed to prepare and maintain appropriate books and records documenting the administration of our stock option program, specifically with regard to the approval of individual stock option grants;

- most stock options issued by us were dated on dates other than the date of grant of those Options, as that date was defined by the stock option plans;

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we engaged in purposeful opportunistic dating (and, therefore, pricing) of Options; and

as a result of these deficiencies, certain of our proxy statements were inaccurate.

The Special Committee also reported that members of senior management were aware of the practice of dating Options on a date other than the date on which final action regarding the Option occurred, and that certain members of senior management, namely our chief financial officer and general counsel during the period, were or should have been aware of certain accounting and legal ramifications, respectively, of issuing an Option with an exercise price lower than the fair market value on the date of issuance. The Special Committee also concluded that, based upon the information gathered and reviewed by the Special Committee, the misdating and mispricing of stock option awards was driven by a desire to make the Options more valuable to the employees who received the awards and not to enrich those who managed the stock option program, though the Company s practice also did inure to the benefit of those who managed the stock option program.

On May 25, 2007, our Board of Directors received and discussed the remedial measures suggested by the Special Committee, which included that:

the procedures for Option approval should be formalized in a manner consistent with the terms of our underlying stock option plans and records of individual stock option awards should be maintained using commercially available software by experienced and qualified personnel;

the Board of Directors should commit to exercising additional oversight of our management and conduct a thorough review of our governance and internal control practices;

certain personnel should be removed from the administration of our stock option program and financial reporting function or provided additional oversight and training;

certain individuals who were our directors or executive officers at the time they received misdated or mispriced awards should disgorge any benefit derived from the exercise of such misdated or mispriced awards and increase the exercise price for those unexercised misdated or mispriced awards; and

we should take steps to address the tax consequences to employees of our historical stock option granting practices.

Our Board of Directors continues to thoughtfully consider these recommendations and has either implemented or is in the process of implementing several of the Special Committee s recommendations.

We have also incurred expenses in connection with certain corrective actions approved by our Compensation and Stock Option Committee with respect to misdated or mispriced Options, including (a) payments to compensate certain former holders of Options whose Option exercise prices we increased to the fair market value of the shares underlying such Options on the measurement date (as that term is defined in SFAS No. 123(R)) for the Options and (b) payments to the IRS on behalf of certain Option holders (and reimbursement of one of our executive officers) to cover taxes and penalties payable by such individuals as a result of their exercise of misdated or mispriced Options prior to the date we amended such Options to bring them into compliance with (and thereby avoid the taxes and penalties imposed under) section 409A of the Code, as well as gross-up payments to such individuals for any taxes they incur as a result of such payments. In connection with the closing of the Offer, all outstanding Options to purchase Shares under our stock plans, vested or unvested, were cancelled and each Option holder was paid an amount in cash equal to the excess, if any, of the Offer Price over the applicable Option exercise price for each Share subject to an Option, less any required withholding taxes.

Furthermore, in light of the Special Committee s findings, on March 30, 2007 Gregory D. Hartman retired as Senior Vice President Finance, Chief Financial Officer and Treasurer, and Daniel P. Hann retired as our Executive Vice President of Administration and our Director. On February 26, 2007, we announced the appointment of Jeffrey R. Binder as President and Chief Executive Officer and a member of our Board of Directors. On March 30, 2007, we announced the appointment of J. Pat Richardson as Vice President Finance

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and Interim Chief Financial Officer and Treasurer, and on May 14, 2007, we announced the appointment of Daniel P. Florin as Senior Vice President and Chief Financial Officer, effective June 5, 2007.

Finally, the Special Committee concluded that pursuit of the claims made in the derivative litigation related to stock option grants would not be in our best interests at this time.

On May 29, 2007, we filed our amended Annual Report on Form 10-K/A for fiscal 2006. On June 4, 2007, we filed our amended Quarterly Report on Form 10-Q/A for the period ended August 31, 2006 and our Quarterly Reports on Form 10-Q for the periods ended November 30, 2006 and February 28, 2007. We have not amended and do not intend to amend any of our previously filed Annual Reports on Form 10-K or Quarterly Reports on Form 10-Q for the periods affected by the restatement other than our amended Annual Report on Form 10-K/A for fiscal 2006 and our amended Quarterly Report on Form 10-Q for the period ended August 31, 2006. Accordingly, our previously issued financial statements affected by the restatement and any related reports of our independent registered public accounting firm should not be relied upon.

Results of Operations

We believe the following developments or trends are important in understanding our financial condition, results of operations and cash flows for the Predecessor Period (from June 1, 2007 through July 11, 2007) and the Successor Period (from July 12, 2007 through February 29, 2008). The growth percentages shown below include the effect of eliminating a one-month reporting lag on July 12, 2007, that was in place during fiscal 2007 at certain foreign subsidiaries. The effect of this one-month lag elimination at our foreign subsidiaries is not considered material to the condensed consolidated financial statements as of February 29, 2008 and for the Successor Period.

For the Period from June 1, 2007 through July 11, 2007 Compared to the Nine Months Ended February 28, 2007

Condensed Consolidated Statements of Operations

	June 1, 2007 through July 11, 2007	Percentage of Net Sales	Nine Months Ended February 28, 2007	Percentage of Net Sales
	($ in millions, except percentages)			
Net sales	$ 249	100%	$ 1,558	100%
Cost of sales	102	41	454	29
Gross margin	147	59	1,104	71
Selling, general and administrative expenses	194	78	592	38
Research and development expense	34	14	71	5
Amortization	1		6	
Operating income (loss)	(82)	(33)	435	28
Interest expense			(9)	(1)
Other income (expense)			17	1
Income (loss) before taxes	(82)	(33)	443	28
Provision (benefit) for income taxes	(27)	(11)	149	10
Net income (loss)	$ (55)	(22)%	$ 294	18%

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Net Sales. Net sales were $249 million for the period from June 1, 2007 through July 11, 2007 and $1,558 million for the nine months ended February 28, 2007. The following tables provide net sales by geography and product category.

Geography Sales Summary

	June 1, 2007 through July 11, 2007	Percentage of Net Sales	Nine Months Ended February 28, 2007	Percentage of Net Sales
	($ in millions, except percentages)			
United States	$ 156	63%	$ 980	63%
Europe	71	28	430	28
International[(1)]	22	9	148	9
Total	$ 249	100%	$ 1,558	100%

(1) International primarily includes Canada, South America, Mexico, and the Pacific Rim.

Product Category Summary

	June 1, 2007 through July 11, 2007	Percentage of Net Sales	Nine Months Ended February 28, 2007	Percentage of Net Sales
	($ in millions, except percentages)			
Reconstructive Products	$ 178	71%	$ 1,099	71%
Fixation Devices	27	11	174	11
Spinal Products	25	10	154	10
Other Products	19	8	131	8
Total	$ 249	100%	$ 1,558	100%

Worldwide sales of reconstructive products continue to be a significant percentage of total sales. Principal drivers behind the reconstructive product sales are knees, where worldwide demand remains strong for Biomet s Oxford Partial Knee System, as well as the Vanguard Complete Knee System. Hip sales continue to be strong, primarily due to worldwide sales of the M2a-Magnum Acetabular System and the Taperloc, as well as strong growth for the ReCap Total Resurfacing System in Europe. In addition, sales of dental reconstructive devices have been strong, with the launch of the NanoTite Tapered Implant during the last quarter of fiscal 2007.

Sales of fixation and spinal products have been lower than expected for the period from June 1 to July 11, 2007 due to the underperformance of the Biomet Trauma and Biomet Spine (BTBS) division. We have made various changes at the division, including managerial changes, computer system enhancements, among others. We believe the new management team and infrastructure changes at BTBS will allow us to provide improved focus on the spine and trauma markets and BTBS customers.

Sales of other products include product lines that are sold by the BTBS division and did not meet management expectations during the period from June 1, 2007 through July 11, 2007. This poor performance was partly offset by growth in the sports medicine products.

Gross Margin. Gross margin decreased as a percentage of net sales to 59% for the period from June 1, 2007 through July 11, 2007 compared to 71% during the nine months ended February 28, 2007. This decrease was primarily due to $28 million of costs to settle in-the-money stock options to employees, as part of the Merger.

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Selling, General and Administrative Expenses. Selling, general and administrative expenses, as a percentage of net sales, increased to 78% for the period from June 1, 2007 through July 11, 2007 compared to 38% for the nine months ended February 28, 2007. This increase in selling and general and administrative expenses was due to the following expenses that occurred from June 1, 2007 through July 11, 2007 that did not occur during the nine months ended February 28, 2007: (1) $61 million paid upon the cash-out of outstanding in-the-money stock options of employees, as part of the Merger, (2) $30 million of transaction fees associated with the Merger, (3) $18 million of distributor fee expense associated with renegotiation of distribution agreements and (4) $2 million of additional legal and Merger-related fees. The percentage of net sales for the nine months ended February 28, 2007 was impacted by about 2% due to the following items: (1) $16 million in additional legal and distribution expenses compared to past period relating to the shareholder derivative lawsuits and investigative expenses in determining alternative measurement dates of stock option awards, (2) the adoption of SFAS 123(R) share-based payment increased selling, general and administrative expenses by $8 million and (3) $6 million in expenses related to the proposed Merger Agreement during the third quarter of fiscal 2007.

Research and Development Expenses. Research and development expenditures as a percentage of net sales was 14% or $34 million from June 1, 2007 through July 11, 2007 compared to 5% or $71 million for the nine months ended February 28, 2007. This increase in percentage was primarily due to $23 million of additional compensation expense upon the cash-out of outstanding in-the-money stock options of employees, as part of the Merger.

Provision (Benefit) for Taxes. The effective income tax benefit was 33% for the period from June 1, 2007 through July 11, 2007 and 34% for the nine months ended February 28, 2007. These rates are lower than the U.S. statutory rates due to the tax rates in our international locations being lower than the United States and our plans to have those earnings permanently invested.

For the Period from July 12, 2007 through February 29, 2008

Net Sales. The following tables provide net sales by geography and product category:

Geography Sales Summary

	July 12, 2007 through February 29, 2008	Percentage of Net Sales
	($ in millions, except percentage)	
United States	$ 880	59%
Europe	465	31
International(1)	154	10
Total	$ 1,499	100%

(1) International primarily includes Canada, South America, Mexico, and the Pacific Rim.

Product Category Summary

	July 12, 2007 through February 29, 2008	Percentage of Net Sales
	($ in millions, except percentage)	
Reconstructive Products	$ 1,105	74%
Fixation Devices	145	10
Spinal Products	130	8
Other Products	119	8

Total	$ 1,499	100%

Worldwide sales of reconstructive products continue to be a significant percentage of total sales. Europe sales continue to grow faster than U.S. sales, primarily due to positive impact of foreign currency translation. Principal drivers behind the reconstructive products growth are knees, where worldwide demand remains strong for Biomet s Oxford Partial Knee System, as well as the Vanguard Complete Knee System. Hip sales continue to be strong, primarily due to worldwide sales of the M2a-Magnum Acetabular System and the Taperloc, as well as strong growth for the ReCap Total Resurfacing System in Europe. In addition, sales of dental reconstructive devices have been strong, with the launch of the NanoTite Tapered Implant during the last quarter of fiscal 2007.

Sales of fixation and spinal products have been lower than expected for the period from June 1 to July 11, 2007 due to the underperformance of the Biomet Trauma and Biomet Spine (BTBS) division. We have made various changes at the division, including managerial changes, computer system enhancements, among others. The new management team and infrastructure changes at BTBS has allowed us to provide improved focus on the spine and trauma markets and BTBS customers. During the third quarter of fiscal 2008 BTBS started to show signs of stabilization, including sequential monthly sales growth.

Gross Margin. Gross margin was 59% during the period from July 12, 2007 through February 29, 2008 and was negatively impacted by increased cost of sales due to the inventory step-up of $160 million in connection with the Merger. In addition, as a result of the Merger, additional depreciation of $10 million related to the step-up in property, plant, and equipment was recorded during the period from July 12, 2007 through February 29, 2008.

Selling, General and Administrative Expenses. Selling, general and administrative expenses was 56% of net sales and was negatively impacted during the period from July 12, 2007 through February 29, 2008 primarily due to (1) $172 million of transaction fees associated with the Merger, (2) $27 million settlement payment with the Department of Justice described in Note 12 of the Notes to Condensed Consolidated Financial Statements included elsewhere in this prospectus, (3) $24 million of distributor fee expense associated with renegotiation of distribution agreements and (4) $23 million of legal and Merger-related fees.

Research and Development Expenses. Research and development expenditures during the period from July 12, 2007 through February 29, 2008 were $59 million or 4% of net sales. Investments were primarily on the following research and development projects: Polaris 5.5 (Spinal Spine), Mini BHS (Spinal Stimulation), E-Poly (Reconstructive Hips), Comprehensive Primary (Reconstructive Extremities), Regenerex RingLoc+Modular Cup (Reconstructive Hips) and Regenerex Tibial Components (Reconstructive Knees).

In-Process Research & Development (IPRD). We recorded IPRD charges of $479 million for the period from July 12, 2007 through February 29, 2008 related to the Merger. We record IPRD for the portion of the purchase price representing the value of technologies relating to products that have not received FDA approval and have no alternative use, excluding the value of core and developed technologies. The IPRD charge relates primarily to research and development projects in the reconstructive and spine divisions.

Amortization. Amortization expense during the period from July 12, 2007 through February 29, 2008 was $227 million, which relates to intangibles of $6 billion being recorded in connection with the Merger.

Other Income (Loss). Other income (loss) was $(373) million for the period from July 12, 2007 through February 29, 2008, of which $372 million relates to interest expense and financing costs related to the debt financings obtained in connection with the Merger.

Provision (Benefit) for Taxes. The effective income tax benefit decreased to 20% for the period from July 12, 2007 through February 29, 2008. The rate is lower than the U.S. statutory rates due to the following items not being deductible: (1) $479 million IPRD expense related to the Merger, (2) $74 million of transaction expenses related to the Merger and (3) a portion of the $27 million settlement payment with the Department of

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Justice described in Note 12 of the Notes to Condensed Consolidated Financial Statements included elsewhere in this prospectus.

Results of Operations for the Years Ended May 31, 2005, 2006 and 2007

Year Ended May 31, 2007 Compared to Year Ended May 31, 2006

Net Sales. Net sales in fiscal 2007 were $2,107 million, an increase of 4% from fiscal 2006. Excluding the positive impact of foreign currency translation, net sales increased 2%.

Market Category Data:

Worldwide sales of reconstructive devices increased 9% to $1,504 million in fiscal 2007 from $1,379 million in fiscal 2006. Factors contributing to this increase include incremental volume as a result of an increase in the overall market size for reconstructive devices and favorable product mix (7%) and the impact of foreign currency translation (2%). During fiscal 2007, worldwide dental reconstructive product sales increased 15%, extremity sales increased 14%, knee sales increased 8%, hip sales increased 7% and bone cement and accessory sales were flat.

Sales of fixation devices decreased 11% to $225 million in fiscal 2007 from $251 million in fiscal 2006. Decreased volume and product mix accounted for this decrease. Worldwide sales of craniomaxillofacial products, including bone substitutes, increased 2%. Internal fixation devices increased 2%, external fixation devices decreased 13% and electrical stimulation devices decreased 25%.

Sales of spinal products decreased 7% to $206 million in fiscal 2007 from $222 million in fiscal 2006. Decreased volume and product mix accounted for this decrease. Worldwide sales of spinal hardware, including orthobiologics, increased 2% while spinal stimulation product sales decreased 21%. During fiscal 2007, BTBS has underperformed against the market and management s objectives. Results have also been negatively impacted by the implementation of a new computer system at BTBS. However, management changes have been made and progress has been achieved in the computer system implementation, sales support system, the in-sourcing of the manufacture of spinal hardware products and the expansion of the research and development team. We believe that the new management team and infrastructure changes will allow for greater focus on the spine and trauma markets and our customers.

Sales of our other products were flat at $173 million in each of fiscal 2007 and fiscal 2006. Decreased volume and product mix (1%) were offset by the impact of foreign currency translation (1%). Worldwide sales of arthroscopy products increased 10% and general surgical instrumentation increased 3%, while softgoods and bracing products decreased 5%.

Geographic Markets Data:

Sales in the United States decreased 1% to $1,306 million in fiscal 2007 from $1,325 million in fiscal 2006. Components of this change were incremental volume and product mix of reconstructive products (5%), offset by decreases in volume of fixation and spinal products (14%). The pricing environment was neutral for fiscal 2007.

European sales increased 14% to $596 million in fiscal 2007 from $521 million in fiscal 2006. Components of this increase were incremental volume and product mix (8%) and the impact of foreign currency translation (6%).

Sales in International increased 14% to $205 million in fiscal 2007 from $180 million in fiscal 2006. Components of this increase were incremental volume and product mix (13%) and the impact of foreign currency translation (1%). We commenced direct sales of our products in Japan during fiscal 2002 and continue to experience good product acceptance with growth at approximately 22% for

fiscal 2007 in local currency.

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Gross Margin. Our gross margin increased 1% to $1,465 million in fiscal 2007 from $1,444 million in fiscal 2006. Our gross margin decreased to 70% of sales in fiscal 2007 from 71% in fiscal 2006. The components of this change are additional expenses of 1% related to inventory write-downs at our BTBS operations and 0.4% from higher growth rates in foreign sales, where gross margins are lower as compared to gross margins on products sold in the United States.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased 17% to $881 million in fiscal 2007 from $750 million in fiscal 2006. This increase results from the renewal and re-negotiation of distribution agreements with existing distributors (5%), accounts receivable reserves related to our BTBS operations (4%), expenses related to the Merger Agreement and retirement/employment costs associated with changes in executive management (2%), the adoption of SFAS No. 123(R) (2%), increased commission expense on higher sales (4%), and an increase in other marketing and general and administrative expenses (1%). These increases were offset by decreased direct to consumer advertising (1%). As a percentage of sales, selling, general and administrative expenses were 42% in fiscal 2007 compared to 37% in fiscal 2006.

Research and Development Expenses. Research and development expenses increased 11% to $94 million in fiscal 2007 from $85 million in fiscal 2006. The increase reflects our continued emphasis on new product development and enhancements and additions to our existing product lines and technologies. Also included in the increase is the impact of adopting SFAS No. 123(R) (3%). As a percentage of sales, research and development expenses were 5% in fiscal 2007 and 4% in fiscal 2006.

Operating Income. Operating income decreased 20% to $490 million in fiscal 2007 from $609 million in fiscal 2006. U.S. operating income decreased 26% to $384 million in fiscal 2007 from $520 million in fiscal 2006, reflecting a slight decrease in sales and the additional expenses discussed above. European operating income increased 24% to $97 million in fiscal 2007 from $78 million in fiscal 2006. The growth in Europe operating income reflects solid sales growth and favorable foreign currency exchange rates during fiscal 2007 as compared to fiscal 2006. International operating income decreased 18% to $9 million in fiscal 2007 from $11 million in fiscal 2006. This decline reflects higher selling expenses due to increased sales and expanding sales forces.

Other Income, Net. Other income, net increased 50% to $21 million in fiscal 2007 from $14 million in fiscal 2006, while interest expense decreased 25% to $9 million in fiscal 2007 from $12 million in fiscal 2006. During fiscal 2007, interest expense decreased as borrowings were reduced and investment income increased as our cash and investments increased. To reduce the risk of exchange rate gains and losses on transfer of inventory from domestic sites to international sites, we have lines of credit in both Europe and Japan in local currencies. These lines of credit are used solely to fund inventory purchases and acquisitions in those local currencies. See Note G of the Notes to Consolidated Financial Statements included elsewhere in this prospectus.

Provision (Benefit) for Income Taxes. The provision for income taxes decreased $39 million to $166 million, or 33% of income before income taxes, for fiscal 2007 from $205 million, or 34% of income before income taxes, for fiscal 2006. The effective income tax rate decreased primarily as a result of a higher proportionate share of taxable income in countries where tax rates are lower and the continued benefit from the Qualified Production Activities Deduction in the United States.

Net Income. The factors mentioned above resulted in an 17% decrease in net income to $336 million in fiscal 2007 from $406 million in fiscal 2006 and an 16% decrease in basic earnings per share to $1.37 in fiscal 2007 from $1.64 in fiscal 2006.

Year Ended May 31, 2006 Compared to Year Ended May 31, 2005

Net Sales. Net sales increased 8% to $2,026 million in fiscal 2006 from $1,880 million in fiscal 2005. Excluding the negative impact of foreign currency translation (1%), net sales increased 9%.

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Market Category Data:

Worldwide sales of reconstructive devices increased 10% to $1,379 million in fiscal 2006 from $1,254 million in fiscal 2005. Factors contributing to this increase include incremental volume and product mix (11%), offset by the impact of foreign currency translation (1%). During fiscal 2006, worldwide dental reconstructive product sales increased 14%, knee and extremity sales increased 12%, hip sales increased 9% and bone cement and accessory sales decreased 5%. Bone cement and accessory sales were negatively impacted by the loss of our primary bone cement supplier during fiscal 2006.

Sales of fixation devices increased 2% to $251 million in fiscal 2006 from $247 million in fiscal 2005. Increased volume and product mix (3%), offset by pricing decreases (1%), accounted for this increase. Worldwide sales of craniomaxillofacial products, including bone substitutes, increased 12%, internal fixation devices increased 6%, electrical stimulation devices decreased 2% and external fixation devices decreased 7%. The combination and management of the Interpore and EBI, L.P., or EBI, sales forces continues to have a negative impact on sales in the fixation, spinal and softgoods and bracing market categories.

Sales of spinal products increased 4% to $222 million in fiscal 2006 from $214 million in fiscal 2005. Incremental volume and product mix accounted for this increase. Worldwide sales of spinal hardware, including orthobiologics, increased 6%, while spinal stimulation product sales decreased 3%.

Sales of our other products increased 5% to $173 million in fiscal 2006 from $165 million in fiscal 2005. Factors contributing to this increase included pricing increases (1%) and incremental volume and product mix (5%), offset by the negative impact of foreign currency translation (1%). Worldwide sales of arthroscopy products increased 12% and general surgical instrumentation increased 4%, while softgoods and bracing products decreased 3%.

Geographic Markets Data:

Sales in the United States increased 7% to $1,325 million in fiscal 2006 from $1,239 million in fiscal 2005. Components of this increase were incremental volume and product mix (6%) and positive pricing environment (1%).

European sales increased 7% to $521 million during fiscal 2006 from $488 million in fiscal 2005. Components of this increase were incremental volume and product mix (12%), offset by pricing decreases (mainly in bone cements) (1%) and the negative impact of foreign currency translation (4%).

Sales in International increased 18% to $180 million in fiscal 2006 from $153 million in fiscal 2005. Components of this increase were incremental volume and product mix (19%), offset by pricing decreases (1%) and the negative impact of foreign currency translation (1%). We commenced direct sales of our products in Japan during fiscal 2002 and continue to experience good product acceptance with growth at approximately 39% for fiscal 2006 in local currency.

Gross Margin. Our gross margin increased 7% to $1,444 million in fiscal 2006 from $1,347 million in fiscal 2005. Our gross margin decreased to 71% of sales in fiscal 2006 from 72% in fiscal 2005. The components of this change are an increase of 1% relating to the impact of inventory step-up from acquisitions on the cost of goods sold in fiscal 2005, offset by a decrease of 0.3% due to an unanticipated, retroactive price increase from the supplier of our antibiotic delivery system in Europe, additional expenses of 0.2% related to our review and reorganization of our EBI operations and discontinuation of the Acumen Surgical Navigation product line, 0.5% from average selling price decreases in Japan, Australia and Korea and 0.6% from higher growth rates in foreign sales, where gross margins are lower, versus domestic sales.

Selling, General and Administrative Expenses. Selling, general and administrative expenses increased 8% to $750 million in fiscal 2006 from $697 million in fiscal 2005. This increase results from increased commission expense on higher sales (3%), the direct to consumer advertising that commenced during the second quarter of fiscal 2006 (1%), additional expenses in connection with the separation package payable to former President and

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Chief Executive Officer Dane A. Miller, Ph.D. (1%), additional expenses related to our review and reorganization of our EBI operations, discontinuation of the Acumen Surgical Navigation product line and the write off of our investment in Z-KAT, Inc. (1%) and an increase in marketing and general and administrative expenses (2%). As a percentage of sales, selling, general and administrative expenses were 37% in each of fiscal 2006 and fiscal 2005.

Research and Development Expenses. Research and development expenses increased 6% to $85 million in fiscal 2006 from $80 million in fiscal 2005. The increase includes the $3 million paid for a cross-licensing and settlement agreement between Biomet Biologics, LLC and Cytomedix, Inc. In addition, the increase reflects our continued emphasis on new product development and enhancements and additions to our existing product lines and technologies. As a percentage of sales, research and development expenses were 4% in each of fiscal 2006 and fiscal 2005.

Operating Income. Operating income increased 12% to $609 million in fiscal 2006 from $544 million in fiscal 2005. U.S. operating income increased 3% to $520 million in fiscal 2006 from $506 million in fiscal 2005, reflecting solid sales growth for higher-margin product lines, offset by the additional expenses discussed above. European operating income increased 3% to $78 million in fiscal 2006 from $76 million in fiscal 2005. The growth in European operating income was negatively affected by a reduction in gross margins and higher selling expenses for our dental products, but reflects solid sales growth, higher gross margins (primarily related to the elimination in fiscal 2006 of inventory step-up costs recognized in fiscal 2005) and lower selling expenses for the rest of our products. International operating income decreased 15% to $11 million in fiscal 2006 from $13 million in fiscal 2005. This decline reflects higher selling expenses due to expanding sales forces and increased expenses to meet additional regulatory requirements in Japan, including support of new product introductions. As a percentage of sales, operating income was 30% in fiscal 2006 and 29% in fiscal 2005.

Other Income, Net. Other income, net increased 27% to $14 million in fiscal 2006 from $11 million in fiscal 2005, while interest expense increased 33% to $12 million in fiscal 2006 from $9 million in fiscal 2005. As interest rates increased during fiscal 2006, investment income as well as interest expense increased. In addition, during fiscal 2006, investment income increased as our cash and investments increased. To reduce the risk of exchange rate gains and losses on transfer of inventory from domestic sites to international sites, we have lines of credit in both Europe and Japan in local currencies. These lines of credit are used solely to fund inventory purchases and acquisitions in those local currencies. See Note G of the Notes to Consolidated Financial Statements included elsewhere in this prospectus.

Provision (Benefit) for Income Taxes. The provision for income taxes increased to $205 million, or 34% of income before income taxes, for fiscal 2006 from $197 million, or 36% of income before income taxes, in fiscal 2005. The effective income tax rate decreased primarily as a result of a $26 million write-off of in-process research and development in fiscal 2005 in connection with the Interpore acquisition not being tax affected. In addition, the tax rate benefited from the new Qualified Production Activities Deduction in the United States and continued expansion of operations in lower tax jurisdictions.

Net Income. The factors mentioned above resulted in a 16% increase in net income to $406 million in fiscal 2006 from $349 million in fiscal 2005. These factors and the reduction in the shares used in the computation of earnings per share through our share repurchase programs resulted in a 19% increase in basic earnings per share to $1.64 for fiscal 2006 from $1.38 in fiscal 2005. As a percentage of sales, net income was 20% in fiscal 2006 and 19% in fiscal 2005.

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Liquidity and Capital Resources

Cash Flows

The following is a summary of the cash flows by activity for the period from June 1, 2007 through July 11, 2007, from July 12, 2007 through February 29, 2008, and the nine months ended February 28, 2007.

	Predecessor June 1, 2007 through July 11, 2007	Successor July 12, 2007 through February 29, 2008	Predecessor Nine Months Ended February 28, 2007
		($ in millions)	
Net cash (used in) provided by:			
Operating activities	$ 60	$ 84	$ 295
Investing activities	11	(11,708)	(56)
Financing activities	1	11,532	(239)
Effect of exchange rate changes on cash		12	
Change in cash and cash equivalents	$ 72	$ (80)	$

Cash Flows from Operating Activities. Cash generated by operating activities continues to be a source of funds for investing in our growth. Net cash from operating activities was $60 million for the period from June 1, 2007 through July 11, 2007. Net cash generated by operations was $84 million for the period from July 12, 2007 through February 29, 2008. Cash generation during these periods was impacted primarily due to operating expenses incurred in connection with the Merger, which includes significant transaction expenses, including legal, accounting and consulting fees. In addition, operating cash flows were negatively affected for the period from July 12, 2007 through February 29, 2008 due to increased interest payments as a result of the debt incurred in connection with the Merger.

Our cash and investments increased to $274 million at May 31, 2007, from $226 million at May 31, 2006. Net cash from operating activities was $440 million in fiscal 2007 compared to $413 million in fiscal 2006. The principal sources of cash from operating activities were net income of $336 million and non-cash charges of depreciation and amortization of $97 million. The principal use of cash includes an increase in the deferred income tax net asset due to the timing of tax deductions related to expenses for renewal and re-negotiation of distribution agreements and accounts receivable reserves and inventory write-downs at BTBS. Accounts receivable and inventory did not have a significant impact in net cash from operating activities after giving effect to the non-cash charges included in net income related to BTBS operations.

Cash Flows from Investing Activities. Cash flows from investing activities were $11 million for the period from June 1, 2007 through July 11, 2007. Net cash used for investing was $11,708 million for the period from July 12, 2007 through February 29, 2008. The primary use of cash for the period from June 1, 2007 through July 11, 2007 was capital expenditures, which was more than offset by net proceeds from sale of investments. The primary use of cash flows from investing activities for the period from July 12, 2007 through February 29, 2008 was the acquisition of Biomet Inc. as discussed in Note 1 of the Notes to Condensed Consolidated Statements included elsewhere in this prospectus.

Cash flows used in investing activities were $214 million in fiscal 2007 compared to $121 million in fiscal 2006. The primary uses of cash for investing activities in fiscal 2007 and fiscal 2006 were purchases of investments and capital expenditures, offset by sales and maturities of investments. Capital expenditures in fiscal 2007 include purchases of instruments in the United States of $37 million, which were sold to distributors in prior years. Major capital expenditures for fiscal 2006 were the expansion of manufacturing facilities in New Jersey and Florida, and purchases of instruments outside the United States to support new product launches and sales growth.

Cash Flows from Financing Activities. Cash flows from financing activities were $1 million for the period from June 1, 2007 through July 11, 2007. Net cash from financing was $11,532 million for the period from

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July 12, 2007 through February 29, 2008. The primary inflow of cash flows from financing activities was for the acquisition of Biomet Inc. as discussed in Note 1 of Notes to Condensed Consolidated Statements included elsewhere in this prospectus. Also, payments on debt facilities for the period from July 12, 2007 through February 29, 2008 were $69 million. During the nine months ended February 28, 2007 payments on debt facilities were $177 million and dividend payments were $74 million.

Cash flows used in financing activities were $251 million in fiscal 2007 compared to $258 million in fiscal 2006. The primary uses of funds during fiscal 2007 was a cash dividend of $0.30 per share paid on July 21, 2006 to shareholders of record on July 14, 2006 and the paydown of short-term borrowings of $197 million. The primary uses of funds during fiscal 2006 was the share repurchase programs, in which $215 million was used to purchase 5,986,000 Shares, and the primary source of funds from financing activities was proceeds on the exercise of Options.

Debt Issuance and Credit Facilities

Senior Secured Cash Flow Facilities. On September 25, 2007, we entered into a credit agreement and related security and other agreements providing for (a) a $2,340 million U.S. dollar-denominated senior secured term loan facility and a 875 million (approximately $1,329 million) euro-denominated senior secured term loan facility and (b) a $400 million senior secured cash flow revolving credit facility with Bank of America, N.A. as administrative agent and collateral agent. We refer to our senior secured term loan facilities and our senior secured cash flow revolving credit facility collectively as the senior secured cash flow facilities.

We borrowed the full amount available under our senior secured term loan facilities on September 25, 2007. In the third quarter of fiscal 2008, we repaid $6 million of outstanding loans under our U.S. dollar-denominated senior secured term loan facility and $3 million of outstanding loans under our euro-denominated senior secured term loan facility. The senior secured cash flow revolving credit facility includes a $100 million sub-facility for letters of credit and a $100 million sub-capacity for borrowings on same-day notice, referred to as the swingline loans. We borrowed approximately $131 million under our senior secured cash flow revolving credit facility on September 25, 2007 to pay a portion of the Transactions. As of February 29, 2008, we had $74 million outstanding borrowings under our senior secured cash flow credit facilities.

Borrowings under our senior secured cash flow facilities bear interest at a rate per annum equal to an applicable margin plus, at our option, either (1) a base rate determined by reference to the higher of (a) the prime rate of Bank of America, N.A. and (b) the federal funds effective rate plus $^{1}/_{2}$ of 1.00% or (2) a LIBOR or Eurocurrency rate determined by reference to the cost of funds for deposits in the currency of such borrowing for the interest period relevant to such borrowing adjusted for certain additional costs. The initial applicable margin for borrowings under (x) our senior secured term loan facilities is 2.00% with respect to base rate borrowings and 3.00% with respect to LIBOR or Eurocurrency borrowings and (y) our senior secured cash flow revolving credit facility is 1.75% with respect to base rate borrowings and 2.75% with respect to LIBOR or Eurocurrency borrowings. The applicable margin under our senior secured cash flow revolving credit facility may be reduced based on our achievement of certain specified ratios. In connection with our senior secured term loan facilities, Purchaser entered into a series of interest rate swap agreements with (1) an aggregate notional amount of $1,300 million to fix the interest rates on a portion of the borrowings under the $2,340 million U.S. dollar-denominated senior secured term loan facility and (2) an aggregate notional amount of 505 million to fix the interest rates on a portion of the borrowings under the 875 million (approximately $1,329 million) euro-denominated senior secured term loan facility. See Management s Discussion and Analysis of Financial Condition and Results of Operations Quantitative and Qualitative Disclosures about Market Risk Interest Rate Risk.

Senior Secured Asset-based Revolving Credit Facility. On September 25, 2007, we entered into a credit agreement and related security and other agreements for a senior secured asset-based revolving credit facility with Bank of America, N.A. as administrative agent and collateral agent. Our senior secured asset-based

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revolving credit facility provides senior secured financing of up to $350 million, subject to borrowing base limitations. The borrowing base at any time will equal the sum of 85% of eligible accounts receivable and 85% of the net orderly liquidation value of eligible inventory (not to exceed 65% of the borrowing base), less certain reserves and subject to certain limitations on consigned inventory and accounts receivable owed by non-U.S. persons. Our senior secured asset-based revolving credit facility includes a $100 million sub-facility for letters of credit and a $35 million sub-facility for borrowings on same-day notice, referred to as the swingline loans. We did not draw on our senior secured asset-based revolving credit facility at the closing of the Transactions and there were no drawings outstanding as of February 29, 2008. As of February 29, 2008, the borrowing base under our senior secured asset-based revolving credit facility was $350 million.

Borrowings under our senior secured asset-based revolving credit facility bears interest at a rate per annum equal to the applicable margin plus, at our option, either (1) a base rate determined by reference to the higher of (a) the prime rate of Bank of America, N.A. and (b) the federal funds effective rate plus $^{1}/_{2}$ of 1.00% or (2) a LIBOR or Eurocurrency rate determined by reference to the cost of funds for deposits in the currency of such borrowing for the interest period relevant to such borrowing adjusted for certain additional costs. The initial applicable margin for borrowings under our senior secured asset-based revolving credit facility is 0.75% with respect to base rate borrowings and 1.75% with respect to LIBOR or Eurocurrency borrowings. The applicable margin may be reduced based on our achievement of certain specified ratios.

Notes. We issued an aggregate of $2,348 million of original notes on September 25, 2007 and an aggregate of $217 million of original notes on October 16, 2007 (which were issued at a premium above par of approximately $6 million). The notes are our unsecured obligations, with $1,550 million being our senior obligations (consisting of $775 million of senior cash pay notes and $775 million of senior toggle notes) and $1,015 million being our senior subordinated obligations. All of the notes are guaranteed by each of the existing and future wholly-owned domestic subsidiaries that guarantee our obligations under our senior secured cash flow facilities. Interest is payable in cash, except with respect to our ability to elect to pay PIK interest, rather than cash interest, on the senior toggle notes subject to certain exceptions.

The indentures governing the notes, among other things, limit our and our restricted subsidiaries ability to incur additional indebtedness or issue certain preferred stock, pay dividends and make other restricted payments, make certain investments, sell assets, create liens, consolidate, merge or sell all or substantially all of our assets, enter into transactions with affiliates and designate subsidiaries as unrestricted subsidiaries. These covenants are subject to important exceptions as described under Description of Senior Exchange Notes Certain Covenants and Description of Senior Subordinated Exchange Notes Certain Covenants.

Unsecured Credit Facilities. As of February 29, 2008, we had (1) a European line of credit in the amount of 100 million (approximately $152 million) and (2) two Japanese lines of credit in the amount of ¥2.5 billion (approximately $24 million). Outstanding borrowings under all lines of credit bear interest at a variable rate of the lender s interbank rate plus an applicable margin and, accordingly, changes in interest rates impact our cost of financing. As of February 29, 2008, we had $5 million in outstanding borrowings under our European line of credit and there were no outstanding borrowings under our Japanese lines of credit.

Future Financing Activities

We believe that our cash, other liquid assets and operating cash flow, together with available borrowings and potential access to credit and capital markets, will be sufficient to meet our operating expenses, research and development costs and capital expenditures and service our debt requirements as they become due. As of February 29, 2008, we had (1) approximately $326 million available for borrowing under our senior secured cash flow revolving credit facility, (2) $350 million available for borrowing under our senior secured asset-based revolving credit facility, (3) the option to incur additional incremental term loans or increase the cash flow revolving credit facility commitments under our senior secured cash flow facilities of up to an amount that would cause our Senior Secured Leverage Ratio (as defined in our senior secured cash flow facilities) to be equal to or

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less than 4.50 to 1.00, (4) the option to increase the asset-based revolving credit commitments under our senior secured asset-based revolving credit facility by up to $100 million and (5) $171 million available for borrowing under our European and Japanese lines of credit. However, our ongoing ability to meet our substantial debt service and other obligations will be dependent upon our future performance which will be subject to business, financial and other factors. We will not be able to control many of these factors, such as economic conditions in the markets where we operate and pressure from competitors. We cannot be certain that our cash flows will be sufficient to allow us to pay principal and interest on our debt, support our operations and meet our other obligations. If we do not have enough money, we may be required to refinance all or part of our existing debt, sell assets or borrow more money. We cannot guarantee that we will be able to do so on terms acceptable to us, if at all. In addition, the terms of existing or future debt agreements may restrict us from pursuing any of these alternatives.

Capital Expenditures and Investments

We maintain our cash and investments in money market funds, certificates of deposit, corporate bonds, auction-rate securities, debt instruments, mortgage-backed securities and equity securities. Our investments are generally liquid and investment grade. We are exposed to interest rate risk on our corporate bonds, debt instruments, fixed rate preferred equity securities and mortgage-backed securities. We are confident about the growth prospects in our markets and intend to invest in an effort to improve our worldwide market position. We expect to spend in excess of $500 million over the next two fiscal years for capital expenditures (including instrumentation issued to the field) and research and development costs in an effort to develop products and technologies that further enhance musculoskeletal procedures. Funding of these and other activities is expected to come from currently available funds, cash flows generated from future operations, and increased bank credit lines. We have no off-balance sheet financial arrangements.

Contractual Obligations

Summarized in the table below are our obligations and commitments as of February 29, 2008. We issued the notes and entered into senior secured credit facilities including senior secured term loan facilities and a senior secured cash flow revolving credit facility. Our senior secured term loan facilities amortize each year in an amount equal to 1% in equal quarterly installments for the first seven years and three months. As of February 29, 2008, the amount of principal payments due within the next twelve-month period was $36 million. The remaining short-term balance of $5 million is our outstanding balance under the European line of credit.

	Total	2008	2009 and 2010	2011 and 2012	2013 and thereafter
			($ in millions)		
Contractual obligations:					
Long-term debt	$ 6,309	$ 19	$ 74	$ 74	$ 6,142
Interest payable	4,187	136	1,049	1,030	1,972
Total contractual obligations	$ 10,496	$ 155	$ 1,123	$ 1,104	$ 8,114

* The total amounts of capital lease obligations, operating lease obligations and purchase obligations are not significant.
This table reflects cash interest payments that have been calculated assuming the three-month LIBOR rate of 3.60% and Euro currency rate of 4.39% as of February 29, 2008 and do not take into consideration the interest rate swaps that are currently in place or any changes to our hedging program.

In addition, due to the uncertainty with respect to the timing of future cash flows associated with our unrecognized tax benefits at February 29, 2008, Biomet is unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authority. Therefore, $41 million of unrecognized tax benefits have been excluded from the contractual obligations table above.

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Critical Accounting Policies and Estimates

Management s discussion and analysis of our financial position and results of operations are based upon our consolidated financial statements, which have been prepared in accordance with accounting principles generally accepted in the United States. The preparation of these financial statements requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses, and related disclosure of contingent assets and liabilities. Our significant accounting policies are discussed in Note B of the Notes to Consolidated Financial Statements and in Note 2 of the Notes to Condensed Consolidated Financial Statements, each included elsewhere in the prospectus. In management s opinion, our critical accounting policies include revenue recognition, excess and obsolete inventory, goodwill and intangible assets, accrued insurance, stock-based compensation expense, income taxes and valuation of purchased in-process research and development.

Revenue Recognition

We sell product through three principle channels: (1) direct to healthcare institutions, referred to as direct channel accounts, (2) through stocking distributors and healthcare dealers and (3) directly to dental practices and dental laboratories. Sales through the direct and distributor/dealer channels account for a majority of our net sales. Through these channels, inventory is generally consigned to sales agents or customers so that products are available when needed for surgical procedures. Revenue is not recognized upon the placement of inventory into consignment as we retain title and maintain the inventory on our balance sheet; however, it is recognized upon implantation and receipt of proper purchase order and/or purchase requisition documentation. Pricing for products is generally predetermined by contracts with customers, agents acting on behalf of customer groups or by government regulatory bodies, depending on the market. Price discounts under group purchasing contracts are generally linked to volume of implant purchases by customer healthcare institutions within a specified group. At negotiated thresholds within a contract buying period, price discounts may increase. Revenue is recognized on sales to stocking distributors, healthcare dealers, dental practices and dental laboratories when title to product passes to them, generally upon shipment. Certain subsidiaries allow customers to return product in the event that we terminate the relationship. Under those circumstances, we record an estimated sales return in the period in which constructive notice of termination is given to a distributor. Product returns were not significant for the periods ended February 29, 2008 and February 28, 2007.

Excess and Obsolete Inventory

In our industry, inventory is routinely placed at hospitals to provide the healthcare provider with the appropriate product when needed. Because product usage tends to follow a bell curve, larger and smaller sizes of inventory are provided, but infrequently used. In addition, the musculoskeletal market is highly competitive, with new products, raw materials and procedures being introduced continually, which may obsolete products currently on the market. We must make estimates regarding the future use of these products and provide a provision for excess and obsolete inventory. If actual product life cycles, product demand or market conditions are less favorable than those projected by management, additional inventory write-downs may be required which would affect future operating results.

Goodwill and Other Intangible Assets

In assessing the recoverability of our intangibles, we must make assumptions regarding estimated future cash flows and other factors to determine the fair value of the respective assets. If these estimates or their related assumptions change in the future, we may be required to record impairment charges for these assets.

Accrued Insurance

As noted in Note M of the Notes to Consolidated Financial Statements included elsewhere in this prospectus, we have a self-insured retention against product liability claims with insurance coverage over and

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above the retention. There are various other claims, lawsuits, disputes with third parties, investigations and pending actions involving various allegations against us. Product liability claims are routinely reviewed by our insurance carrier and management routinely reviews all claims for purposes of establishing ultimate loss estimates. In addition, management must determine the estimated liability for claims incurred, but not reported. Such estimates and any subsequent changes in estimates may result in adjustments to our operating results in the future.

Stock-Based Compensation Expense

On June 1, 2006, we adopted revised SFAS No. 123(R), which requires all share-based payments to be recognized in our financial statements based on their respective grant date fair values. Under this standard, the fair value of each employee stock option is estimated on the date of grant using an option-pricing model that meets certain requirements. We currently use the Black-Scholes option-pricing model to estimate the fair value of our share-based payments. The determination of the fair value of share-based payment awards utilizing the Black-Scholes model is affected by our stock price and a number of assumptions, including expected volatility, expected life, risk-free interest rate and expected dividends. We estimate the expected volatility based on historical volatility of our Shares prior to July 11, 2008 and historical volatility of our competitors stock subsequent to this date. The expected life of the Options is based on historical and other data including life of the Option and vesting period. The risk-free interest rate assumption is the implied yield currently available on zero-coupon U.S. Government issues with a remaining term equal to the expected life of the Options. The dividend yield assumption is based on the historical dividend yield of our Shares. Forfeitures are required to be estimated at the time of grant and revised, if necessary, in subsequent periods if actual forfeitures differ from those estimates. We will evaluate the assumptions used to value stock-based awards periodically and adjust them if necessary. If factors change and we employ different assumptions, stock-based compensation expense may differ significantly from what we have recorded in the past.

Income Taxes

We record income tax estimates in accordance with SFAS 109, Accounting for Income Taxes, however, there are inherent risks that could create uncertainties related to the estimates. We adjust estimates based on normal operating circumstances and conclusions related to tax audits. We do not believe any audit finding could materially affect its financial position; however there could be a material impact on our consolidated results of operations of a given period.

Effective June 1, 2007, we adopted Financial Accounting Standards Board (FASB) Interpretation 48, Accounting for Uncertainty in Income Taxes an interpretation of FASB Statement 109 (FIN 48). FIN 48 addresses the determination of whether tax benefits claimed or expected to be claimed on a tax return should be recorded in the financial statements. Under FIN 48, the tax benefits from an uncertain tax position may be recognized only if it is more likely than not that the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the position. FIN 48 also provides guidance on derecognition, classification, interest and penalties on income taxes, accounting in interim periods and requires increased disclosures. FIN 48 requires significant judgment in determining what constitutes an individual tax position as well as assessing the outcome of each tax position.

Valuation of Purchased In-Process Research and Development, Goodwill and Other Intangible Assets

When a business combination occurs, the purchase price is allocated based upon the fair value of tangible assets, in-process research and development, or IPRD, goodwill and intangible assets. We recognize IPRD in business combinations for the portion of the purchase price allocated to the appraised value of in-process technologies, defined as those technologies relating to products that have not received FDA approval and have no alternative future use. The portion assigned to in-process technologies excludes the value of core developed technologies, which are recognized as intangible assets when purchased. Valuations require the use of significant

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estimates. The amount of the purchase price allocated to IPRD is determined by estimating future cash flows of the technology and discounting net cash flows back to present values. We consider, among other things, the project s stage of completion, complexity of the work competed as the acquisition date, costs already incurred, projected costs to complete, contribution of core technologies and other acquired assets, expected introduction date and the estimated useful life of the technology. The discount rate used to arrive at a present value as of the date of acquisition is based on the time value of money and medical technology investment risk. Goodwill represents the excess of cost over fair value of identifiable net assets of the business acquired and the amount allocated to IPRD. The methodologies used in arriving at these estimates are in accordance with accepted valuation methods.

Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS 141R (revised 2007), Business Combinations. SFAS 141R establishes principles and requirements for how the acquirer in a business combination recognizes and measures in its financial statements, the identifiable assets acquired, the liabilities assumed and any noncontrolling interest in the acquiree at the acquisition date at fair value. SFAS 141R determines what information to disclose to enable users of the financial statements to evaluate the nature and financial effects of the business combination. SFAS 141R applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after December 15, 2008. Early adoption is not permitted.

In December 2007, the FASB issued Statement 160, Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB 51. SFAS 160 establishes accounting and reporting standards that require noncontrolling interests to be reported as a component of equity, changes in a parent s ownership interest while the parent retains its controlling interest be accounted for as equity transactions, and any retained noncontrolling equity investment upon the deconsolidation of a subsidiary be initially measured at fair value. SFAS 160 is to be applied prospectively to business combinations consummated on or after the beginning of the first annual reporting period on or after December 15, 2008. Early adoption is not permitted.

In June 2007, the FASB executive task force issued EITF-07-3 Accounting for Nonrefundable Advance Payments for Goods or Services Received for Use in Future Research and Development Activities. The EITF provides guidance for entities that may make nonrefundable advance payments for goods or services that will be used in future research and development activities and whether the advance payment should be expensed when the advance payment is made or when the research and development activity has been performed. EITF 07-3 is effective for financial statements issued for fiscal years beginning after December 15, 2007. Management is currently evaluating the impact on the consolidated financial statements.

In February 2007, the FASB issued SFAS 159, Establishing the Fair Value Option for Financial Assets and Liabilities, to permit all entities to choose to elect to measure eligible financial instruments at fair value. SFAS 159 applies to fiscal years beginning after November 15, 2007, with early adoption permitted for an entity that has also elected to apply the provisions of SFAS 157. An entity is prohibited from retrospectively applying SFAS 159, unless it chooses early adoption. Management is currently evaluating the impact of SFAS 159 on the consolidated financial statements.

In September 2006, the FASB issued SFAS No. 157, Fair Value Measurements. SFAS 157 defines fair value, establishes a framework for measuring fair value in generally accepted accounting principles and expands disclosures about fair value measurements. SFAS 157 applies under other accounting pronouncements that require or permit fair value measurements and accordingly, does not require any new fair value measurements. SFAS 157 is effective for fiscal years beginning after November 15, 2007. Management is currently evaluating the impact of SFAS 157 on the consolidated financial statements.

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Quantitative and Qualitative Disclosures about Market Risk

In the normal course of business, our operations are exposed to fluctuations in interest rates and foreign currencies. These fluctuations can vary our cost of financing, investment yields and operations.

Interest Rate Risk

In connection with our acquisition of Interpore International, Inc. in June 2004, we entered into a 36-month revolving credit facility in the amount of $200 million. The outstanding credit line was paid off in February 2007 and the credit facility subsequently expired. We also maintain unsecured lines of credit in countries in which we have significant intercompany transactions in an effort to minimize currency rate risks. As of February 29, 2008, we had a European line of credit in the amount of 100 million (approximately $152 million). Outstanding borrowings under the line of credit bear interest at a variable rate of the lender s interbank rate plus an applicable margin and, accordingly, changes in interest rates would impact our cost of financing. As of February 29, 2008, we had $5 million in outstanding borrowings under our European line of credit.

We do not have any investments that would be classified as trading securities under GAAP. Our non-trading investments, excluding cash and cash equivalents, consist of debt securities, equity securities, mortgage-backed securities and auction-rate securities. The debt securities include municipal bonds, with fixed rates, and preferred stocks, which pay quarterly fixed rate dividends. These financial instruments are subject to market risk in that changes in interest rates would impact the market value of such investments. We generally do not utilize derivatives to hedge against increases in interest rates which decrease market values, except for one of our investment managers who utilized U.S. Treasury bond futures options, or futures options, as a protection against the impact of increases in interest rates on the fair value of preferred stocks managed by that investment manager. We mark any outstanding futures options to market and market value changes are recognized in current earnings. The futures options generally have terms ranging from 90 to 180 days. Net realized gains (losses) on sales of futures options aggregated ($136,000) and ($75,000) for fiscal 2006 and 2007, respectively, and unrealized gains (losses) on outstanding futures options at May 31, 2006 and 2007 aggregated ($19,000) and $28,000, respectively. Net realized gains (losses) on sales of futures options were nominal for the period from June 1, 2007 through July 11, 2007 and for the period from July 12, 2007 through February 29, 2008 and there were no outstanding futures options at February 29, 2008.

Based on our overall interest rate exposure at February 29, 2008, the impact of a hypothetical 10% adverse change in interest rates for our variable rate debt as of February 29, 2008 would have decreased our pre-tax earnings by approximately $37 million over a twelve-month period.

On August 7, 2007 and August 17, 2007, Purchaser entered into a series of interest rate swap agreements with an aggregate notional amount of $1,300 million to fix the interest rates on a portion of the borrowings under the $2,340 million U.S. dollar-denominated senior secured term loan facility and on August 30, 2007, Purchaser entered into a series of interest rate swap agreements with an aggregate notional amount of 505 million to fix the interest rates on a portion of the borrowings under the 875 million (approximately $1,329 million) euro-denominated senior secured term loan facility. As of February 29, 2008, the fair value of the interest rate swap agreements relating to our U.S. dollar-denominated senior secured term loan facility was approximately an $85 million net unrealized loss, and the fair value of the interest rate swap agreements relating to our euro-denominated senior secured term loan facility was approximately 10 million (approximately $15 million) net unrealized loss.

Foreign Currency Risk

Certain forecasted transactions, assets and liabilities are exposed to foreign currency risk, primarily the fluctuation of the U.S. dollar against European currencies. We face transactional currency exposures that arise when our foreign subsidiaries (or we ourselves) enter into transactions, generally on an intercompany basis, denominated in currencies other than their local currency. We also face currency exposure that arises from

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translating the results of our global operations to the U.S. dollar at exchange rates that have fluctuated from the beginning of the period. Historically, we have not used financial derivatives to hedge against fluctuations in currency exchange rates. We had designated our 875 million (approximately $1,329 million) euro-denominated senior secured term loan facility as a hedge of our net investment in our European subsidiary. Our net investment in our European subsidiary at the hedging date of September 25, 2007 was $1,690 million (1,238 million). The difference of 363 million between the net investment and debt amount remained unhedged as of February 29, 2008. As a result of cash flow hedge treatment being applied, all gains and losses related to the derivative instrument is included in other comprehensive income. Effectiveness is tested quarterly to determine hedge treatment is still reasonable. We test effectiveness on this net investment hedge by determining that the net investment in our European subsidiary is greater than the outstanding debt balance. If the hedge is deemed ineffective, gains and losses will be recorded through the income statement.

Based on our overall exposure for foreign currency at February 29, 2008 a hypothetical 10% change in foreign currency rates would not have a material impact on our balance sheet, net sales, net income or cash flows over a one-year period.

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INDUSTRY

We participate in the worldwide orthopedic and dental implant markets, which management estimates to be $30 billion in market size. These markets enjoy favorable industry dynamics and Wall Street analysts estimate that these markets will grow at a compounded annual growth rate above 10% over the next five years. The orthopedic industry benefits from several favorable factors, including, but not limited to:

Favorable Demographics. An aging population is driving growth in the orthopedic products market. Many conditions that require orthopedic surgery affect people in middle age or later in life. As the baby boomer population ages and life expectancy increases, the elderly will represent a higher percentage of the overall population. According to a 2007 U.S. Census Bureau projection, the U.S. population aged 55 to 74 is expected to grow at approximately three times the average rate of population growth from 51 million and 18% of the population in 2007 to 76 million and 22% of the population by 2027. According to a 2006 Eurostat projection, the European population aged 65 and over will grow at approximately 16 times the average rate of population growth from 77 million and 17% of the population in 2005 to 135 million and 30% of the population in 2025.

Stable Industry Structure. Following a period of consolidation during the late 1990s, over the past nine years, we, together with Zimmer Holdings, Inc., DePuy, Inc. (a Johnson & Johnson company), Stryker Corporation and Smith & Nephew plc, have constituted over 85% of the orthopedic reconstructive industry s worldwide revenues. These players have achieved critical components to success, including product innovations and advancements, accumulation of clinical data, regulatory expertise, economies of scale, and salesforce and surgeon customer relationships, which have led to minimal market share movement among top players from year to year.

Close Working Relationships with Surgeon Customers. Due to the nature of orthopedic implants, the orthopedic medical device industry is unique with respect to the working relationships between orthopedic device manufacturers and their surgeon customers. As a component of innovation in the industry, some surgeons serve as consultants and are instrumental in the development of new products and the ongoing evaluation and improvement of existing products.

Technological Advancement of Orthopedic Products. Incremental and continuous technological advancement of orthopedic products is expanding the addressable market. Product innovation is improving the durability and performance of orthopedic devices and promoting less invasive surgery. Examples include bearing surfaces in hips with potential for greater longevity, premium knee systems that allow greater range of motion, and press fit hip stems that facilitate minimally invasive hip procedures. As a result of this ongoing innovation, we believe that surgeons are increasingly recommending and utilizing implant products for younger patients as well as elderly patients who are remaining healthier and more active than those of past generations.

Favorable Product Mix Shift. Continued product innovation is driving a favorable shift in mix towards premium products that offer enhanced outcomes for patients. Product evolution is also expanding the addressable market to include younger patients who are more likely to require and demand premium and high-performance products. In addition, the payor mix resulting from the broadening of the patient population to younger patients with private insurance creates a favorable environment due to the fact that joint procedures for non-Medicare payors are generally more profitable for hospitals.

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BUSINESS

General

We are one of the largest orthopedic medical device companies in the United States and worldwide with operations in over 50 locations throughout the world and distribution in more than 70 countries. We design, manufacture and market a comprehensive range of both surgical and non-surgical products used primarily by orthopedic surgeons and other musculoskeletal medical specialists. For fiscal 2007 and the nine months ended February 29, 2008, we generated net sales of $2,107 million and pro forma net sales of $1,748 million, respectively.

We operate in one business segment, musculoskeletal products, which includes the design, manufacture and marketing of products in four major market categories: Reconstructive Products, Fixation Devices, Spinal Products and Other Products. We have three reportable geographic markets: United States, Europe and International.

Reconstructive Products. We are a worldwide leader in our principal market category, Reconstructive Products. Primary product offerings include implants and instrumentation for replacing knees and hips as well as extremity joints that have deteriorated due to disease (principally osteoarthritis) or injury. We have been among the fastest growing knee companies in the industry as a result of continued strong demand for our total and partial knee systems. We also believe that our innovative hip product offerings, including our broad platform of bearing options, represent competitive advantages and have led to excellent surgeon acceptance. This market category also includes our dental reconstructive device business, which includes implants and abutments, augmented by a growing line of our other reconstructive products such as regenerative products, accessories and biologics products. The Reconstructive Products category accounted for 71% of our net sales for fiscal 2007 and 73% of our pro forma net sales for the nine months ended February 29, 2008.

Fixation Devices. Fixation devices are used for setting and stabilizing damaged bones to support and/or augment the body s natural healing process. We are a market leader for electrical stimulation devices for trauma indications, offering implantable and non-invasive products to stimulate bone growth. Other products include internal fixation devices (such as nails, plates, screws, pins and wires used to stabilize traumatic bone injuries), external fixation devices (used to stabilize fractures when alternative methods of fixation are not suitable), craniomaxillofacial fixation systems and bone substitute materials. The Fixation Devices category accounted for 11% of our net sales for fiscal 2007 and 10% of our pro forma net sales for the nine months ended February 29, 2008.

Spinal Products. Spinal products include devices and instrumentation for repairing defects or wear and tear in the vertebral column. Key products in this category include implantable and non-invasive electrical stimulation devices for spinal indications (used to enhance bone fusion success), spinal fixation systems used to stabilize the spine, bone substitute materials and allograft services used in spinal fusion procedures, as well as motion preservation systems. The Spinal Products category accounted for 10% of our net sales for fiscal 2007 and 9% of our pro forma net sales for the nine months ended February 29, 2008.

Other Products. We manufacture and distribute a number of other products, including sports medicine products (used in minimally-invasive orthopedic surgical procedures), orthopedic support products (also referred to as softgoods and bracing products), operating room supplies, casting materials, general surgical instruments, wound care products and other surgical products. The Other Products category accounted for 8% of our net sales for both fiscal 2007 and our pro forma net sales for the nine months ended February 29, 2008.

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The following charts set forth our net sales by market category and geographic markets for fiscal 2007.

Competitive Strengths

We believe we have a number of competitive strengths that will enable us to further enhance our position in the orthopedic medical device market.

Broad Market Leadership. We are the fourth largest player in the U.S. orthopedic reconstructive market and have maintained this position for over a decade. We have high representation at U.S. hospitals, supplying products to over 60% of hospitals performing joint replacement surgery. In addition, we are the third largest manufacturer and marketer of dental reconstructive products worldwide and maintain leadership positions in the electrical stimulation and craniomaxillofacial fields.

Leading Research and Development Platform. We have a long history of innovation, engineering, quality and successful new product launches. Demonstrating our research and development leadership, we have launched approximately 800 new products in the past nine fiscal years and plan to introduce approximately 100 new products during fiscal 2009.

Strong Relationships with Surgeon Customers. Based on their understanding of and satisfaction with our product, we enjoy long-standing relationships with our surgeon customers, many of which commence during the surgeon s residency training program. Our support of medical education programs provides important training opportunities for orthopedic surgeons early in their career. In fact, supporting hands-on training provides opportunities for residents, fellows and attending surgeons to experience the clinical benefits of our products. Surgeons have historically exhibited limited willingness to switch manufacturers, as successful patient outcomes are related to the practitioners familiarity with the procedural characteristics and instrumentation of certain implants. As such, 19 of our top 25 surgeons have been our customers for at least 10 years.

Consistently Strong Operating Cash Flow Generation. Our business is characterized by consistently strong operating cash flows due to our robust operating history and moderate capital intensity. We have continually increased both revenues and profitability, with fiscal 2007 representing our 29th consecutive year of year-over-year net sales and Adjusted EBITDA growth. Over the last 15 years, from fiscal 1992 to fiscal 2007, we increased both net sales and Adjusted EBITDA at compounded annual growth rates of approximately 15%. We have sustained growth through multiple macro-economic cycles, demonstrating a stable business profile. In addition, we have historically had modest capital expenditure and working capital requirements providing for strong operating cash flow conversion.

Experienced and Dedicated Management Team. We have a highly experienced management team at both the corporate and operational level. Our team is led by Jeffrey R. Binder, a 15-year veteran of the orthopedic medical device industry, who was appointed President and Chief Executive Officer in February 2007. Daniel P. Florin was appointed Senior Vice President and Chief Financial Officer in June 2007 and brings 16 years of financial officer/controller experience in the medical device industry and five years of public accounting

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and auditing experience to Biomet. Glen A. Kashuba was appointed Senior Vice President and President of Biomet Trauma and Biomet Spine, or BTBS, in April 2007, having previously served as Worldwide President of Cordis Endovascular, a division of Johnson & Johnson. Gregory W. Sasso, who has been with us for 23 years, was appointed Senior Vice President and President of Biomet SBU Operations in June 2007. In February 2008, Jon C. Serbousek was appointed President of Biomet Orthopedics, having spent 21 years in the medical device industry including 8 years with Medtronic and 13 years with DePuy. Even though each of Messrs. Binder, Florin, Kashuba and Serbousek has been with us for less than two years, the members of our senior management team have an average tenure of 13 years with us. Overall, the members of our senior management team have an average tenure of 18 years in the medical device industry. Certain members of our management team made a contribution of new equity through cash equity contributions and/or rollover of existing equity interests in the Transactions.

Premier Equity Sponsorship. The Blackstone Group, Goldman Sachs Capital Partners, KKR and TPG are among the most well-known and respected financial sponsors in the world. The Sponsors have made investments in over 950 companies and collectively have more than $125 billion of assets under management. The Sponsors and the Co-Investors contributed approximately $5,387 million of equity in connection with the Transactions, representing 46% of the total funding for the Transactions, as part of one of the largest private equity investments in history. The Sponsors have considerable experience in the healthcare sector with investments in companies such as Accellent Inc., HCA Inc., IASIS Healthcare Corporation, Quintiles Transnational Corp., ReAble Therapeutics, Inc. and Vanguard Health Systems, Inc., among others.

Business Strategy

We intend to enhance our position as a leading orthopedic medical device company by pursuing the following strategic initiatives:

Continue to Develop and Launch New Products and Technologies. We plan to continue to aggressively develop new products, technologies and materials by leveraging our established research and development platform. While we have a strong engineering heritage, we recently have taken steps to enhance our research and development efforts, with the appointment of two global heads charged with coordinating research and development efforts across the organization, which should improve time to market and leverage best technologies and innovations available throughout all business segments and regions. We anticipate that our future research and development investment will be consistent with historical results as a percentage of net sales.

Enhance Surgeon Customer Relationships through Product Performance and Innovation. We intend to continue to meet the demanding needs of our surgeon customers and hospital customers by providing clinically superior and innovative products that offer a cost-effective means of treating patients. Our success has been built on responsiveness to the needs of the health care community, the outstanding clinical performance of our products and our ongoing commitment to continued product innovation.

Expand Our Global Reach. We intend to continue to increase the geographic presence of each of our business categories. There are considerable opportunities for global expansion as healthcare spending increases in international markets the United States and Canada together accounted for approximately 65% of the global orthopedic market in 2006, but only approximately 5% of the world s population. We particularly plan to focus on deepening our position in under-penetrated regions with attractive opportunities for growth, including Asia and Latin America, by deploying more resources to capture market opportunities, as well as by leveraging our established worldwide manufacturing facilities and salesforce. We believe we can successfully grow our presence in these regions by differentiating ourselves as a provider with a comprehensive portfolio of leading musculoskeletal products.

Focus on Operational Efficiency. We have identified significant opportunities to streamline operations. The historically decentralized nature of our management and decision-making structure creates opportunities to

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improve operational efficiency as we centralize operations and increase focus, coordination and accountability throughout the organization. Plans include manufacturing footprint optimization, implementation of Six Sigma and Lean Manufacturing, procurement and offshoring initiatives, as well as reduction in overhead expenses. These initiatives will enable us to maximize asset utilization, optimize working capital and increase cash flow, as well as accelerate product development and enhance customer service.

Maximize Operating Cash Flow. We are focused on maximizing our operating cash flow. Over the last 20 years, we have consistently generated significant operating cash flow due to our business growth, strong operating margins and modest capital expenditure and other cash requirements. These solid business fundamentals will be supplemented by recently implemented initiatives to improve working capital, which historically has not been a focus area of management. In addition, we will benefit from identified cost savings as we enhance operational efficiencies. We plan to use available cash after capital expenditures to reduce leverage and strengthen our balance sheet.

Products

Our product portfolio is divided into four market categories: Reconstructive Products, Fixation Devices, Spinal Products and Other Products.

Reconstructive Products

Orthopedic reconstructive implants are used to replace joints that have deteriorated as a result of disease (principally osteoarthritis) or injury. Reconstructive joint surgery involves the modification of the area surrounding the affected joint and the implantation of one or more manufactured components, and may involve the use of bone cement. Our primary orthopedic reconstructive joints are knees, hips and shoulders, but we produce other joints as well. We also produce the associated instruments required by orthopedic surgeons to implant our reconstructive devices, as well as bone cements and cement delivery systems. In addition, dental reconstructive devices and associated instrumentation are used for oral rehabilitation through the replacement of teeth and repair of hard and soft tissues.

Knee Systems. A total knee replacement typically includes a femoral component, a patellar component, a tibial component and an articulating surface. Total knee replacement may occur as an initial joint replacement procedure, or as a revision procedure, which may be required to replace, repair or enhance the initial implant. Partial, or unicompartmental, knee replacement is an option when only a portion of the knee requires replacement.

Our newest and most comprehensive total knee system, the Vanguard Complete Knee System, accommodates up to 145 degrees of flexion and offers full interchangeability of the system s components to provide a precise fit for each patient. The Vanguard System may be implanted using our *Premier Instrumentation* for a conventional procedure or our Microplasty® Minimally Invasive Total Knee Instrumentation, which is designed to reduce incision size and surrounding soft tissue disruption, which may provide reduced blood loss, a shortened hospital stay, reduced postoperative pain and less time spent in rehabilitation, as compared to a conventional procedure. During fiscal 2008, we continued the development efforts for the rotating platform version of the Vanguard Complete Knee System.

We continue to be a market leader in addressing the increasing demand from practitioners and patients for procedures and products accommodating minimally-invasive knee techniques. The Oxford® Partial Knee, which is a mobile-bearing unicondylar knee that utilizes a minimally-invasive technique, continues to experience strong global sales. The Oxford® Knee, which was introduced in the United States during fiscal 2005, is currently the only free-floating meniscal bearing unicompartmental system approved for use in the United States. Our offering of minimally-invasive partial knee systems also includes the Alpina® Unicompartmental Knee (which is not currently available in the United States); the Vanguard M Series Unicompartmental Knee System, a modified

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version of the Oxford® Knee that incorporates a fixed-bearing tibial component as opposed to a free floating tibial bearing; and the *Repicci II®* *Unicondylar Knee System* that is now being distributed by our sports medicine division.

During fiscal 2008, we introduced the Signature Personalized Arthritis Care program. The initial introduction was designed specifically for knee procedures. The Signature program uses a patient s MRI data to deliver patient-specific alignment guides to the surgeon for improved pre-operative planning and for implementation during the procedure. The Signature program was developed through a partnership with Materialise, a world leader in custom guides for the dental industry, and we believe this technology may be expanded to other orthopedic applications.

Hip Systems. A total hip replacement involves the replacement of the head of the femur and the acetabulum, and may occur as an initial joint replacement procedure, or as a revision procedure, which may be required to replace, repair or enhance the initial implant. A femoral hip prosthesis consists of a femoral head and stem, which can be cast, forged or wrought, depending on the design and material used. Acetabular components include a prosthetic replacement of the socket portion, or acetabulum, of the pelvic bone. Because of variations in human anatomy and differing design preferences among surgeons, we manufacture femoral and acetabular prostheses in a variety of sizes and configurations. We offer a broad array of total hip systems, most of which utilize titanium or cobalt chromium alloy femoral components and our patented ArCom®, ArComXL® or E-Poly polyethylene-lined, metal-on-metal or ceramic-on-ceramic acetabular components. Many of the femoral prostheses utilize our proprietary PPS® porous plasma spray coating, which enables cementless fixation.

Out of our broad product platform of hip stem offerings, the Taperloc® Hip System has become our best-selling component. The Taperloc® Stem is marketed for non-cemented use in patients undergoing primary or revision hip replacement surgery as a result of noninflammatory degenerative joint disease. The Taperloc® femoral component is a collarless, flat, wedge-shaped implant designed to provide excellent durability and stability in a design that is relatively simple to implant and is particularly well-suited for minimally-invasive procedures. We also offer the Taperloc® Microplasty Stem that addresses the demand for a minimally-invasive, bone-conserving total hip implant. The shorter length of the Microplasty Stem, compared to a traditional hip stem, allows for preservation of distal bone, while maintaining proximal femoral bone fixation.

Our comprehensive Microplasty Minimally Invasive Hip Program includes proprietary products from our broad array of hip products, as well as a distinctive training program and uniquely-designed instruments for a minimally-invasive approach. Our minimally-invasive hip development efforts have been focused on various surgical approaches, including an anterior supine approach, which is an intramuscular surgical approach.

We continue to explore the development of innovative articulation technologies and materials. Our M^2a-Taper Acetabular System combines a cobalt chromium head with a cobalt chromium liner and has demonstrated a 20- to 100-fold reduction in volumetric wear in simulator studies compared to traditional metal-polyethylene articulation systems. The M^2a-Taper Acetabular System may be utilized on all of our femoral components and has continued to evolve with the introduction of the M^2a-Magnum Articulation System, which incorporates larger diameter metal-on-metal components designed to more closely resemble the natural anatomy, offering improved range of motion and joint stability. We introduced the C^2a-Taper Acetabular System during fiscal 2006, which provides an additional alternative bearing option featuring ceramic-on-ceramic articulation. In addition, we are pursuing the development of a diamond-on-diamond hip articulation system through our relationship with Diamicron, Inc., a global leader in the research, development and manufacture of polycrystalline diamond composite technology for biomedical applications. We continue to market ArComXL®, which is a second-generation highly crosslinked polyethylene bearing material based on our proven ArCom® polyethylene. ArComXL® polyethylene has demonstrated excellent wear characteristics without measurable oxidation after accelerated aging. During fiscal 2007, we received FDA clearance to market acetabular hip liners manufactured from E-Poly Highly Crosslinked Polyethylene. We believe our E-Poly liners are the world s first Vitamin E stabilized highly crosslinked polyethylene products to be introduced to the market. Vitamin E is a

natural antioxidant and is expected to provide optimal oxidation resistance for the implant bearings used in our total joint replacements.

The ReCap® Total Resurfacing System is a bone-conserving product currently used outside the United States for patients in the early stages of degenerative joint disease, including osteoarthritis, rheumatoid arthritis and avascular necrosis. We commenced a clinical study for the ReCap® Total Resurfacing System in the United States during fiscal 2006 and there were more than 200 patients enrolled in the study as of February 29, 2008. The FDA recently accepted the concept of Biomet including European clinical data to support its U.S. Pre-Market Approval submission, subject to further review of the data after submission. We believe the potential exists to bring this product to the U.S. market during the second half of calendar 2009.

We introduced the Regenerex RingLoc® + Acetabular System during fiscal 2008. The Regenerex Construct provides design flexibility and solutions for difficult primary and revision cases. The advanced titanium scaffold structure of the Regenerex Construct is a continuous three-dimensional matrix comprised of industry-standard Ti-6AL-4V. Titanium is a clinically proven material in the orthopedic market, with optimal biological fixation, and Regenerex is expected to be the material of choice for porous metal constructs.

Extremity Systems. We offer a variety of shoulder systems including the Absolute® Bi-Polar, Bi-Angular®, Bio-Modular®, Comprehensive®, Copeland , Integrated and Mosaic Shoulder Systems, as well as uniquely-designed elbow replacement systems.

The Copeland Humeral Resurfacing Head was developed to minimize bone removal in shoulder procedures and has approximately 20 years of positive clinical results in the United Kingdom. This system was expanded to include the Copeland EAS (Extended Articular Surface) Humeral Resurfacing Head designed to address rotator cuff arthropathy.

The first Comprehensive® Primary Shoulder was released at the end of fiscal 2007. This initial release of the new Primary System included the standard and mini length Comprehensive® Primary Stems and the Versa-Dial Heads, as well as the hybrid glenoids. The Comprehensive® Primary System is expected to be fully released by the end of fiscal 2008.

T.E.S.S. Total Evolutive Shoulder System continues to receive strong market acceptance in Europe. The T.E.S.S. System, which is only available outside the United States, is a complete shoulder system that can be used in all indications of shoulder arthroplasty.

Dental Reconstructive Devices. Through our subsidiary, Biomet 3i LLC (formerly Implant Innovations, Inc.), or Biomet 3i, we develop, manufacture and market products designed to enhance oral rehabilitation through the replacement of teeth and the repair of hard and soft tissues. These products include dental reconstructive devices and related instrumentation, bone substitute materials and regenerative products and materials. A dental implant is a small screw, normally constructed of titanium or titanium alloy, that is surgically placed in the bone of the jaw to replace the root of a missing tooth and provide an anchor for an artificial tooth.

Biomet 3i s historical flagship product, the OSSEOTITE® product line, features a patented micro-roughened surface technology, which allows for early loading and improved bone integration to the surface of the implant compared to machined surfaced implants. In fiscal 2007, Biomet 3i further enhanced implant surface technology with the introduction of the NanoTite Implant. The surface features the application of nanometer scale crystals of calcium phosphate to the existing OSSEOTITE® surface. This enhancement has been demonstrated via preclinical animal studies to increase the rate and extent of bone integration and results in a mechanical bonding of the host bone to the surface of the implant compared with the OSSEOTITE® surface alone. The NanoTite Implant was initially introduced in Certain® Implant configurations, which is an internal connection system that, through the use of the QuickSeat® connection, provides audible and tactile feedback when restorative abutments and ancillary components are seated into the implant. In addition, the 6/12 point connection design of the Certain®

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Implant System offers enhanced flexibility in placing the implant where preangled abutments may be used. In fiscal 2008, Biomet 3i continued to build on the strength of the NanoTite Implant line by introducing the NanoTite Certain Tapered Prevail® configuration. This implant is designed to enhance crestal bone preservation as a result of its integration of Platform Switching a medialized Implant-Abutment-Junction that has been demonstrated in literature to limit the reformation of soft and hard tissue at the bone crest. This is the first tapered geometry implant available from Biomet 3i that includes the platform switching concept. Other additions for the tapered implant category in fiscal 2008 included a complete set of bone taps for dense bone applications and a 6mm diameter implant with the same implant body design enhancements as implemented for other diameters.

In the site preparation segment of the product portfolio, Biomet 3i completed beta evaluations of its Navigator CT Guidance Instrumentation Kits and commercially launched this product during the third quarter of 2008. This open architecture instrumentation is designed to interface with the software and surgical guide solutions offered by existing entities in the marketplace. As planning and guide fabrication are based upon computed tomography scans, this can result in accurate implant placement when combined with the depth and rotational control offered by the Biomet 3i instrumentation. As implant placement position can be replicated as planned, this can also provide the opportunity for fabrication of a provisional prosthesis in advance of surgery thereby allowing for a complete implant restoration in one patient visit. On the regenerative side of the site preparation portfolio, Biomet 3i has bolstered its bone grafting product and service offering. An exclusive agreement was signed with University of Miami Tissue Bank for domestic representation of its dental allograft services. The RegenerOss Allograft Putty became available during the third quarter of fiscal 2008. This material features a demineralized bone matrix material in a non-toxic lecithin carrier conveniently offered in a syringe based delivery system. In the fourth quarter 2008, Biomet 3i will introduce Endobon Xenograft Granules. This bovine derived particulate bone grafting material is suitable for use in a wide range of dental related bone defects and offers improved handling characteristics and packaging versus some of the competitive products in this category.

During fiscal 2008, Biomet 3i engaged in a limited domestic release of its Encode® Complete patient specific abutment technology. This enhancement of the baseline Encode abutment offering will allow Biomet 3i to fabricate an abutment and orient implant body analogs in the proper position in a stone master model. This can allow for the complete fabrication of a restoration from one supragingival impression significantly easier than present techniques and a potential opportunity to get more general dentists involved in implant therapy. The quality of these abutments and ability to save significant chair time will also be of potential benefit to more experienced restorative dentists. There was a line extension in fiscal 2008 to the patient specific CAM StructSURE® bars to include a copy milling capability. This allows a dental laboratory to create a unique design in a resin based material. This is scanned and milled from titanium where a porcelain finish is later added by the source laboratory. Other restorative product launches in fiscal 2008 included QuickBridge provisionalization components and non-hexed UCLA abutments for the Biomet 3i 3.4mm restorative platform.

Other Reconstructive Devices. Our PMI® Patient-Matched Implant services group expeditiously designs, manufactures and delivers one-of-a-kind reconstructive devices to orthopedic specialists. We believe this service continues to enhance our reconstructive sales by strengthening our relationships with orthopedic surgeons and augmenting our reputation as a responsive company committed to excellent product design. In order to assist orthopedic surgeons and their surgical teams in preoperative planning, our PMI® group utilizes a three-dimensional (3-D) bone reconstruction imaging system. We use computed tomography (CT) data to produce 3-D reconstructions for the design and manufacture of patient-matched implants. With this imaging and model-making technology, our PMI® group is able to assist the physician prior to surgery by creating 3-D models. Within strict deadlines, the model is used by engineers, working closely with the surgeon, to create a PMI® design for the actual manufacturing of the custom implant for the patient.

We are involved in the ongoing development of bone cements and delivery systems. We have broadened the range of our internally developed and manufactured bone cement product offerings. Cobalt HV (High Viscosity) Bone Cement, which was introduced in the United States during fiscal 2006, is particularly well suited

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for use in minimally-invasive surgery, but may be used in all applicable joint replacement procedures. The excellent handling characteristics and high optical contrast of Cobalt HV Bone Cement are well suited to the current trends in orthopedic surgery. The patented SoftPac monomer packaging offers the only alternative to glass vial packaging, which is inherently less safe due to the necessity to break the glass vial to deliver the monomer. We offer our internally developed and manufactured bone cements with and without antibiotics. In conjunction with antibiotic loaded bone cement is the use of StageOne Cement Spacer Molds. The molds are used in revision surgery following infection as the first stage of a two stage treatment plan. Cobalt Bone Cement is marketed in conjunction with our patented Optivac® Vacuum Mixing System. During fiscal 2007, the Fusion Vacuum Mixing Bowl was launched to address the open bowl mixing market. In Europe, we introduced the OptiPac preloaded bone cement mixing and delivery system during fiscal 2008.

Additional products and services for reconstructive indications include bone substitute materials and services related to allograft material. We also provide services related to the supply of allograft material procured through several tissue bank alliances. Markets addressed by our allograft services include the orthopedic and dental reconstructive market segments, as well as the spinal, craniomaxillofacial and sports medicine segments.

The GPS® III Gravitational Platelet Separation System is a unique device that collects platelet concentrate from a small volume of the patient s blood using a fast, single spin process, offering a high-quality platelet concentrate that has broad potential applications in the reconstructive and spine markets. The GPS® III System is marketed in conjunction with the Biomet® Rapid Recovery Program, a comprehensive approach to patient education, a minimally-invasive surgical approach and pain management that was developed in conjunction with leading orthopedic surgeons in the United States.

Fixation Devices

Our fixation products include electrical stimulation devices (that do not address the spine), external fixation devices, craniomaxillofacial fixation systems, internal fixation devices and bone substitute materials utilized in fracture fixation applications. Our craniomaxillofacial fixation products are marketed by our subsidiary, Biomet Microfixation, LLC, or Biomet Microfixation. All other fixation products are marketed primarily by Biomet Trauma.

Electrical Stimulation Systems. We are a market leader in the electrical stimulation segment of the fixation market. The FDA has acknowledged our extensive preclinical research documenting the Mechanism of Action for our pulsed electromagnetic field (PEMF), capacitative coupling and direct current technologies. The Mechanism of Action for these technologies involves the stimulation of a cascade of bone morphogenic proteins (BMPs), as well as angiogenesis, chondrogenesis and osteogenesis.

The EBI Bone Healing System® unit is a non-invasive bone growth stimulation device indicated for the treatment of recalcitrant bone fractures (nonunions), failed fusions and congenital pseudarthrosis that have not healed with conventional surgical and/or non-surgical methods. The non-invasive bone growth stimulation devices sold by us generally provide an alternative to surgical intervention in the management of these bony applications. The EBI Bone Healing System® units produce low-energy PEMF signals that induce weak pulsing currents in living tissues that are exposed to the signals. These pulses, when suitably configured in amplitude, repetition and duration, affect living bone cells to differentiate, migrate and proliferate. The Mechanism of Action behind the PEMF technology involves the stimulation of growth factors involved in normal bone healing. Biomet Trauma s preclinical research demonstrates that PEMF signals increase a number of growth factors, such as TGF-ß, BMP-2 and BMP-4, which are normal physiological regulators of the various stages of bone healing, including angiogenesis, chondrogenesis and osteogenesis. The EBI Bone Healing System® unit may be utilized over a patient s cast, incorporated into the cast or worn over the skin.

The OrthoPak® 2 Bone Growth Stimulator, which is indicated for the treatment of recalcitrant (nonunion) fractures, offers a small, lightweight, non-invasive device using capacitive coupling technology. The OrthoPak®

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2 device delivers bone growth stimulation through wafer-thin electrodes that add virtually no extra weight on the nonunion site. The Mechanism of Action behind our capacitive coupling stimulation technology involves the stimulation of osteopromotive factors involved in normal bone healing, such as TGF-ß1 and PGE2. The OrthoPak® 2 product provides greater ease of use and enhances access to fracture sites that are normally hard to treat.

We also offer an implantable option when bone growth stimulation is required in conjunction with or subsequent to surgical intervention. The Biomet® OsteoGen® surgically implanted bone growth stimulator is an adjunct treatment when bone grafting and surgical intervention are required to treat recalcitrant (nonunion) fractures in long bones. The Mechanism of Action behind our direct current stimulation technology involves the stimulation of a number of osteoinductive growth factors including BMP-2, -6 and -7 and the BMP-2 receptor ALK2, which are normal physiological regulators of various stages of bone healing, including chondrogenesis and osteogenesis. In addition, electrochemical reactions at the cathode lower oxygen concentrations and increase pH.

During fiscal 2005, a private company petitioned the FDA to reclassify noninvasive bone growth stimulators from Class III to Class II medical devices. The petition was directed at products, like those described above, that utilize electromagnetic fields to stimulate bone growth. In June 2006, the FDA Advisory Panel recommended that the bone growth stimulator devices remain Class III devices. On January 17, 2007, the FDA published its agreement and sought public comment on the Advisory Panel s recommendation that bone growth stimulators remain Class III devices. The private company that had petitioned for the down-classification of bone growth stimulators has since formally withdrawn that request. It is our understanding that bone growth stimulators will remain Class III devices.

External Fixation Devices. External fixation is utilized for stabilization of fractures when alternative methods of fixation are not suitable. We offer a complete line of systems that address the various segments of the trauma and reconstructive external fixation marketplace. The DynaFix® and DynaFix® Vision Systems are innovative, modular external fixation devices intended for use in complex trauma situations involving upper extremities, the pelvis and lower extremities. The recently introduced Advanced Biomet® Vision FootRing System is a comprehensive external fixation system designed for the treatment of osteotomies, arthrodesis and fracture fixation indications. This system offers expanded indications for both trauma and reconstructive procedures. The simplified, snap-fit application of all fixation components to the Vision Ring can be configured into a multitude of constructs ranging from simple fractures to complex reconstruction. The Vision FootRing System is made of lightweight, carbon fiber, which is radiolucent and also provides for increased patient comfort. Biomet Trauma also has a full line of external fixation products for certain reconstructive procedures involving limb lengthening, fusion, articulated fixation and deformity correction applications.

Internal Fixation Devices. Our internal fixation devices include products such as nails, plates, screws, pins and wires designed to stabilize traumatic bone injuries. These devices are used by orthopedic surgeons to provide an accurate means of setting and stabilizing fractures and for other reconstructive procedures. They are intended to aid in the healing process and may be removed when healing is complete. Internal fixation devices are not intended to replace normal body structures.

We develop, manufacture and/or distribute innovative products that fit into key segments of the fixation marketplace. Our flagship product used for the treatment of hip fractures is the Biomet® Peritrochanteric Nail System that incorporates an innovative single lag screw to minimize soft tissue impingement. In conjunction with the VHS®* System, the Biomet® Peritrochanteric Nail System offers a choice of options for the treatment of these fractures.

* VHS® is a registered trademark of Implant Distribution Network, Ltd.

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Other innovative nailing products that have been introduced are the Biomet® Pediatric Locking Nail (PLN) and the Biomet WIN Flexible Nail that complement our pediatric product line. The PLN, a customizable, locking nail, was designed to provide stable fixation of femur fractures in children. The WIN Nail is manufactured of titanium alloy and is intended to treat a variety of long bone fractures.

In the area of locked plating designs, the OptiLock® Periarticular Plating System is a unique, pre-contoured plating system designed for fixation of periarticular lower extremity fractures. It incorporates patent-pending Sphere Lock technology that allows the surgeon to utilize locked or unlocked screws in various diameters through any hole in the plate, while incorporating minimally-invasive techniques. The system includes applications for the treatment of proximal tibial, distal femoral and distal tibial/fibular fractures. The release of the system was completed during the first quarter of fiscal 2008 and provides surgeons with a comprehensive system to address a variety of simple and complex periarticular fractures.

During the third quarter of fiscal 2008, Biomet Trauma introduced the Phoenix Tibial Nailing System, the first in a series of Phoenix Intramedullary Nails to be released this year. Featuring patent pending CoreLock technology, the nail offers a pre-assembled setscrew that dually locks the proximal oblique screws for enhanced stable fixation and also allows surgeons to utilize up to 5mm of inboard compression for acute fracture reduction. In addition, the nail features a distal bone screw cluster that maximizes the working length of the nail. Surgeon feedback to date continues to be positive with respect to clinical results, implant design and instrumentation.

In the fourth quarter of fiscal 2008, we initiated the clinical evaluation for the remaining modules of the Phoenix Intramedullary Nailing System. Included in this offering are the Phoenix Retrograde Femoral Nail and the Phoenix Antegrade Femoral Nails. Each of these systems offers CoreLock Technology that features embedded set screws that can simultaneously lock bone screw clusters for stable fracture fixation.

During fiscal 2008, we have continued to make innovative improvements in hip fracture, locked plating, external fixation and intramedullary fixation devices to enhance our portfolio of fixation implants for the trauma marketplace.

Craniomaxillofacial Fixation Systems. We manufacture and distribute craniomaxillofacial, neurosurgical, and thoracic titanium and resorbable implants, along with associated surgical instrumentation, principally marketed to craniomaxillofacial, neurosurgical, plastic, ear/nose/throat, pediatric and cardiothoracic surgeons through Biomet Microfixation. We offer HTR-PMI Hard Tissue Replacement for repair of severe cranial defects and bone substitute material for use in craniomaxillofacial and neurosurgical applications. Innovative solutions are also offered for oral and maxillofacial surgeons with an off-the-shelf Total Mandibular Joint Replacement System and other new products for TMJ, including in-office scope systems and arthrocentesis procedure products.

Biomet Microfixation markets the LactoSorb® Fixation System of resorbable plates and screws comprised of a copolymer of poly-L-lactic acid and polyglycolic acid. As a result of its innovative material, the LactoSorb® system is comparable in strength to titanium plating systems at its initial placement and is resorbed within 9 to 15 months after implantation. The LactoSorb® system is especially beneficial in pediatric reconstruction cases by eliminating the need for additional surgery to remove the plates and screws.

Biomet Microfixation plans to offer Allogenix Plus bone graft material during fiscal 2008. This biomaterial combines the lecithin-based Allogenix Demineralized Bone Matrix with ProOsteon® granules, resulting in an improved bone graft material. By combining a scaffold with an osteoinductive source, the need for a second procedure in order to harvest bone chips for use as a scaffold may be eliminated.

Bone Substitute Materials. When presented with a patient demonstrating a bone defect, such as a fractured bone or bone loss due to removal of a tumor, the treating surgeon may remove a portion of bone from the patient at a second site to use as a graft to induce healing at the site of the defect. Bone substitute materials eliminate the

pain created at a graft site, as well as the costs associated with this additional surgical procedure. Depending on the specific use of the bone substitute material, it can have reconstructive, fixation or spinal applications. We also have available the InterGro® line of DBM materials (InterGro® Paste, InterGro® Putty and InterGro® Plus). The InterGro® DBM materials use lecithin as a carrier, which is a natural lipid carrier that is resistant to breakdown by bodily fluids, temperature or aggressive irrigation.

Spinal Products

Our spinal products include electrical stimulation devices for spinal applications, spinal fixation systems, bone substitute materials and motion preservation systems, as well as allograft services for spinal applications. These products and services are primarily marketed in the United States under the Biomet Spine tradename.

Spinal Fusion Stimulation Systems. Spinal fusions are surgical procedures undertaken to establish bony union between adjacent vertebrae. We distribute both non-invasive and implantable electrical stimulation units that surgeons can use as options to provide an appropriate adjunct to surgical intervention in the treatment of spinal fusion applications. We have assembled extensive preclinical research documenting the Mechanism of Action for the technology utilized in our spinal fusion stimulation systems.

The SpinalPak® II Spine Fusion Stimulator utilizes capacitive coupling technology to encourage fusion incorporation. The Mechanism of Action behind the capacitive coupling stimulation technology involves the upregulation of osteopromotive factors that modulate normal bone healing, such as TGF- ß1 and PGE2. The unit consists of a small, lightweight generator worn outside the body that is connected to wafer-thin electrodes applied over the fusion site. The SpinalPak® II System is patient friendly, enhancing comfort whether the patient is standing, sitting or reclining, and optimizes compliance with the treatment regimen to enhance fusion success.

The surgically implanted SpF® Spinal Fusion Stimulator consists of a generator that provides a constant direct current to titanium cathodes placed where bone growth is required. The Mechanism of Action behind our direct current stimulation technology involves the upregulation of a number of osteoinductive growth factors including BMP-2, -6 and -7 and the BMP-2 receptor ALK2, which are normal physiological regulators of various stages of bone healing, including chondrogenesis and osteogenesis. The SpF® Stimulator has exhibited a 50% increase in fusion success rates over fusions with autograft alone. In early 2008, we launched the SpF-PLUS Mini Spinal Fusion Stimulator. This new product has the highest current density available, in one-third of the size of the original SpF-PLUS Spinal Fusion Stimulator.

Spinal Fixation Systems. We market spinal fixation products for various spinal fusion applications. Our Synergy System, which has been on the market since 1992, is a complete system capable of addressing both degenerative and deformity indications. It is available in both stainless steel and titanium versions, offering 4.75mm and 6.35mm rod diameters, as well as a full complement of screws ranging from 4.0mm to 8.0mm in both fixed and polyaxial styles. The Synergy System also contains a full offering of hooks in a wide variety of styles and sizes. A more recent introduction in this market is the Array® Spinal System, which has a single locking setscrew featuring V-Force Thread Technology designed to enhance the intraoperative ease of use for the surgeon. During fiscal 2006, we launched the Array® Deformity Spine System, which includes various styles of screws, hooks and rods for scoliosis correction. The most recent product offering in this area is the Polaris System, which is a top-loading, inner tightening thoracolumbar system utilizing a patented closing mechanism known as a Helical Flange .* This feature helps prevent cross threading and seat splay, simplifying the implant closing procedure for the surgeon. Currently, the Polaris System is available in titanium, in 6.35mm and 5.5mm rod diameters, with both fixed and polyaxial screws ranging in size from 4.0mm to 7.0mm. We also market the Structure System, which utilizes various kinds of fixation washers used to secure screws to the vertebral body for an anterior screw/rod construct. In the thoracolumbar fusion area, we market the Biomet®

* Helical Flange is a trademark of the Jackson Group.

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Omega 21 Spine System. This system features a unique multidirectional coupler and expandable screw. We also market the SpineLink®-II Spinal Fixation System, which addresses many of the inherent limitations of traditional rod and plate systems by linking each spine segment individually for intrasegmental control. Through the use of a modular titanium link and polydirectional screw, this unique system provides an intrasegmental option for spine fixation, enabling the surgeon to tailor the segmental construction to the patient s anatomy.

We offer a variety of spacer products for the thoracolumbar market segment. The Ionic® Spine Spacer System, for use with the Omega 21 Spine System or SpineLink®-II Spinal Fixation System, features an open design that allows for optimal bone graft placement and bone ingrowth, along with the additional benefit of excellent postoperative x-ray visualization. The GEO Structure® family features various sizes and shapes, including ovals, straight rectangles and bent rectangles. The Geo Structure® family of products are produced from cast titanium, offering a maximum amount of space inside the implant, with a minimum amount of material, resulting in excellent strength characteristics and imaging capabilities. The Solitaire System is a stand-alone device for anterior indications. The TPS Telescopic Plate Spacer is a unique implant indicated for trauma and tumor pathologies of the thoracolumbar spine. This implant is designed as a combination of a plate and spacer that is expandable, allowing the surgeon to fit the implant to the defect. We also offer the ESL® (Elliptically Shaped Lumbar) and Ibex thoracolumbar spacers. Both of these spacers are endplate-sparing designs, reducing the risk of subsidence. In addition, both the ESL® and Ibex Systems are open to permit ample space for bone graft placement and growth. The ESL® System features an elliptical shape offering optimal surface contact with the vertebral body endplates. The Ibex implant is curved to conform to the anatomical shape of the vertebral body. In addition, the beveled corners of the Ibex implant facilitate ease of use for the surgeon during implantation. The ESL® and Ibex thoracolumbar spacers are both available with a PEEK-OPTIMA®* implant option for increased radiographic fusion assessment.

For cervical applications, the VueLock® Anterior Cervical Plate System offers surgeons several important benefits. The open design of the VueLock® System provides surgeons with enhanced visualization of the bone graft both during the actual surgical procedure and postoperatively on x-ray. We also offer the C-TEK® Anterior Cervical Plate System, which offers a non-constrained, semi-constrained or a completely rigid construct, depending on the surgeon s preference. Made from titanium, the C-TEK® Anterior Cervical Plate System offers both fixed and variable screws in a wide variety of diameters and lengths. This system also features a unique locking mechanism to prevent screw back out. For posterior cervical procedures, we offer the Altius M-INI System, which features top loading, inner tightening, polyaxial screws as well as hooks for the cervico-thoracic spine. The Altius M-INI System features a 3.5mm rod and a wide variety of screws ranging in diameter from 3.5mm to 4.5mm. This system also incorporates Helical Flange Locking Technology. Occipital fixation is also available with the Altius M-INI System, featuring a low profile plate that is placed independently from the rod, allowing for easier assembly and less rod contouring.

Minimally-invasive spine surgery is of growing interest in the practice of many spine surgeons. Traditional, open surgical approaches to the spine for discectomy, fusion and fixation have brought with them lengthy postoperative healing and rehabilitation issues. A minimally-invasive approach to spine surgery has demonstrated less morbidity, minimal blood loss and further benefits such as a shorter hospital stay. In the minimally-invasive surgery market, we market the VuePASS Portal Access Surgical System. Under direct visualization for a posterior lumbar approach, the VuePASS System allows for traditional open techniques through a minimally-invasive cannula access system. This past year we introduced the Ballista Percutaneous Pedicle Screw System and the AccuVision Minimally Invasive Access System. Both products are expected to be launched nationally this coming year.

To address the vertebral body compression fracture market, we offer two systems designed for the delivery of materials to weakened bony structures, including the CVD and LP2 Delivery Systems. Through a series

* PEEK-OPTIMA® is a registered trademark of Invibio, Ltd.

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of dilating cannulae and various instruments, the systems allow the surgeon to access the anatomy through a percutaneous approach and safely deliver high viscosity material under low, controlled pressure. The CVD Delivery System offers the ability to biopsy before delivery. During fiscal 2008, we introduced Cobalt V Bone Cement for vertebroplasty applications.

Bone Substitute Materials. Traditional spinal fixation surgery includes the use of a spinal fixation device in conjunction with a bone substitute or bone graft material to increase the likelihood of successful bone fusion. Pro Osteon® 200R and Pro Osteon® 500R are bone graft substitutes made from marine coral. Both are a resorbable combination of hydroxyapatite and calcium carbonate that is resorbed and replaced with natural bone during the healing process. Pro Osteon® 200R is available as granules. Pro Osteon® 500R is available in granules and blocks. The Biomet® DBM (Demineralized Bone Matrix) Putty, derived exclusively from human bone, can be used with a variety of substances, such as bone substitute material, machined allograft, autograft and platelet rich plasma, to enhance the surgeon s treatment options.

During fiscal 2007, Biomet Spine launched PlatFORM DBM, an osteoconductive, osteoinductive and osteogenic matrix. This material consists of freeze-dried flexible and pliable sheets of demineralized bone matrix putty for use as a bone void filler. PlatFORM DBM can be utilized alone or in combination with autologous bone or other forms of allograft and can be rehydrated with bone marrow aspirate for use in posterolateral spine fusions. This matrix has no synthetic additives, eliminating any surgeon concern regarding toxicity of certain carriers currently used in other DBMs.

Precision Machined Allograft. Many spinal fusion procedures, in both the lumbar and cervical spine, involve interbody spinal fusion. Surgeons often utilize precision machined allograft spacers to fuse the interbody space. We provide services related to the OsteoStim® Cervical Allograft Spacer for anterior cervical interbody fusions, the OsteoStim® ALIF Allograft Spacer for anterior lumbar interbody fusions and the OsteoStim® PLIF Allograft Spacer for posterior lumbar interbody fusions, depending on the surgical approach. All three systems are lordotic in shape, have serrated teeth on the top and bottom for added stability, are offered in various heights and have specific instrumentation to facilitate implantation.

Motion Preservation Products. An Investigational Device Exemption pilot study for the Regain® Disc began in the United States during fiscal 2007. The Regain® Lumbar Artificial Disc is a one-piece pyrocarbon artificial disc nucleus replacement. The pyrocarbon material has a high level of strength, is biocompatible and extremely resistant to wear. In addition, Biomet Spine is developing the Rescue Cervical Disc Replacement product and the Min-T Lumbar Artificial Disc for total lumbar disc replacement procedures.

Other Products

We also manufacture and distribute several other products, including orthopedic support products (also referred to as soft goods and bracing products), arthroscopy products, operating room supplies, casting materials, general surgical instruments, wound care products and other surgical products. We manufacture and market a line of arthroscopy products through our subsidiary, Biomet Sports Medicine, LLC, or Biomet Sports Medicine.

Arthroscopy Products. Arthroscopy is a minimally-invasive orthopedic surgical procedure in which an arthroscope is inserted through a small incision to allow the surgeon direct visualization of the joint. This market is comprised of five product categories: power instruments, manual instruments, visualization products, soft tissue anchors, and procedure-specific instruments and implants. Our principal products consist of the EZLoc Femoral Fixation Device, the Washer Loc Tibial Fixation Device, LactoSorb® resorbable arthroscopic fixation products, the ALL Thread Suture Anchor, the MaxFire Meniscal Repair Device with ZipLoop Technology and ToggleLoc with ZipLoop Technology, and the InnerVue Diagnostic Scope system, which utilizes a needle scope to diagnose knee and shoulder conditions in a physician s office.

Orthopedic Support Products. We distribute a line of orthopedic support products under the Biomet Bracing name, including back braces, knee braces and immobilizers, wrist and forearm splints, cervical collars, shoulder

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immobilizers, slings, abdominal braces, ankle supports and a variety of other orthopedic splints. Sales of these softgoods and bracing products are assisted by the S.O.S[SM]. Support-on-Site stock and bill program, which handles the details of product delivery for the healthcare provider.

Product Development

Our research and development efforts are essentially divided into two categories: innovative new technology and evolutionary developments. Most of the innovative new technology development efforts are focused on biomaterial products, and are managed at the corporate level and take place primarily in Warsaw, Indiana. Evolutionary developments are driven primarily by the individual subsidiaries and include product line extensions and improvements.

We continue to aggressively conduct internal research and development efforts to generate new marketable products, technologies and materials. In addition, we are well positioned to take advantage of external acquisition and development opportunities. An important component of our strategy has been the formation of strategic alliances to enhance the development of new musculoskeletal products.

For fiscal 2005, 2006 and 2007, and for the periods from June 1, 2007 through July 11, 2007 and from July 12, 2007 through February 29, 2008, we expended approximately $80 million, $85 million, $94 million, $34 million and $59 million, respectively, on research and development. It is expected that ongoing research and development expenses will continue to increase. Our principal research and development efforts relate to our orthopedic reconstructive devices, spinal fixation products, revision orthopedic reconstructive devices, dental reconstructive devices, arthroscopy products, resorbable technology, biomaterial products and autologous therapies.

We have launched approximately 800 new products in the past nine fiscal years and plan to introduce approximately 100 new products during fiscal 2009.

Government Regulation

Most aspects of our business are subject to some degree of government regulation in the countries in which our operations are conducted. It has always been our practice to comply with all regulatory requirements governing our products and operations and to conduct our affairs in an ethical manner. This practice is reflected in our Code of Business Conduct and Ethics and through the responsibility of the Audit Committee of the Board of Directors to review our systems of internal control, our process for monitoring compliance with laws and regulations and our process for monitoring compliance with our Code of Business Conduct and Ethics. For some products, and in some areas of the world such as the United States, Canada, Japan and Europe, government regulation is significant and, in general, there appears to be a trend toward more stringent regulation throughout the world, as well as global harmonization of various regulatory requirements. We devote significant time, effort and expense to addressing the extensive government and regulatory requirements applicable to our business. Governmental regulatory actions can result in the recall or seizure of products, suspension or revocation of the authority necessary for the production or sale of a product, and other civil and criminal sanctions. We believe that we are no more or less adversely affected by existing government regulations than are our competitors.

In the United States, the development, testing, marketing and manufacturing of medical devices are regulated under the Medical Device Amendments of 1976 to the Federal Food, Drug and Cosmetic Act, the Safe Medical Devices Act of 1990, the FDA Modernization Act of 1997, the Medical Device User Fee and Modernization Act of 2002 and additional regulations promulgated by the FDA and various other federal, state and local agencies. In general, these statutes and regulations require that manufacturers adhere to certain standards designed to ensure the safety and efficacy of medical devices and related medical products.

We believe that we are well positioned to face the changing international regulatory environment. The International Standards Organization (ISO) has an internationally recognized set of standards aimed at

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ensuring the design and manufacture of quality products. A company that has passed an ISO audit and obtained ISO certification applicable to its activity sector is internationally recognized as having quality manufacturing processes. The European Union legislation requires that medical devices bear a CE mark. The CE mark is a European Union and European Free Trade Association symbol, which indicates that the product adheres to European Medical Device Directives. Compliance with ISO quality systems standards is one of the requirements for placing the CE mark on our products. Each of our principal manufacturing facilities has been certified to ISO 13485:2003. Each of our products sold in Europe bears the CE mark, with the exception of custom-made implants that do not require a CE mark. The EU has recently reclassified our total joint products to Class III via Directive 2005/50/EC and we are in the process of complying with this Directive.

In addition, governmental bodies in the United States and throughout the world have expressed concern about the costs relating to healthcare and, in some cases, have focused attention on the pricing of medical devices. Government regulation regarding pricing of medical devices already exists in some countries and may be expanded in the United States and other countries in the future. We are subject to increasing pricing pressures worldwide as a result of growing regulatory pressures, as well as the expanding predominance of managed care groups and institutional and governmental purchasers. Under Title VI of the Social Security Amendments of 1983, hospitals receive a predetermined amount of Medicare reimbursement for treating a particular patient based upon the patient s type of illness identified with reference to the patient s diagnosis under one or more of several hundred diagnosis-related groups. Other factors affecting a specific hospital s reimbursement rate include the size of the hospital, its teaching status and its geographic location.

While we are unable to predict the extent to which our business may be affected by future regulatory developments, we believe that our substantial experience in dealing with governmental regulatory requirements and restrictions throughout the world, our emphasis on efficient means of distribution and our ongoing development of new and technologically-advanced products should enable us to continue to compete effectively within this increasingly regulated environment.

Sales and Marketing

We have diligently worked to attract and retain qualified, well-trained and motivated sales representatives. The breadth of our product offering and the quality of our salesforces collaborate to create synergies that uniquely position us to continue to efficiently penetrate the musculoskeletal market. In the United States, our products are marketed by a combination of independent commissioned sales agents and direct sales representatives, based on the specific product group being represented. In an effort to ensure the continuity of our relationships with the independent third-party distributors who represent Biomet Orthopedics, we incurred $39 million in fiscal 2007, $18 million for the period from June 1, 2007 through July 11, 2007 and $30 million for the period from July 12, 2007 through February 29, 2008, which negatively affected our results of operations for these periods. A significant amount of these expenses that were incurred in fiscal 2008 were incurred prior to the end of the first quarter of fiscal 2008. In Europe, our products are promoted by sales representatives employed by subsidiaries, independent third-party distributors, and some independent commissioned sales agents, based primarily on the geographic location. In the rest of the world, we maintain direct selling organizations in ten countries, as well as independent commissioned sales agents and independent third-party distributors in other key markets. In aggregate, our products are marketed by more than 2,700 sales representatives throughout the world.

Elective surgery-related products appear to be influenced to some degree by seasonal factors, as the number of elective procedures declines during the summer months and the winter holiday season.

Our customers are the hospitals, surgeons, other physicians and healthcare providers who use our products in the course of their practices. Our business is dependent upon the relationships maintained by our distributors and salespersons with these customers, as well as our ability to design and manufacture products that meet the physicians technical requirements at a competitive price.

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We have inventory located throughout the world with our customers, our distributors and direct salespersons for their use in marketing our products and in filling customer orders. As of February 29, 2008, inventory of approximately $185 million was located with these distributors, salespersons and customers.

Competition

Our business is highly competitive. Competition within the industry is primarily based on service, clinical results and product design, although price competition is an important factor as healthcare providers continue to be concerned with costs. Major competitors in our four major market categories are set forth below by market category.

Reconstructive Products

Our orthopedic reconstructive devices compete with those offered by DePuy, Inc. (a subsidiary of Johnson & Johnson), Smith & Nephew plc, Stryker Orthopaedics (a division of Stryker Corp.) and Zimmer, Inc. (a subsidiary of Zimmer Holdings, Inc.). Management believes these four companies, together with Biomet, have the predominant share of the global orthopedic reconstructive device market. We believe that our prices for orthopedic reconstructive devices are competitive with those in the industry. We believe that our future success will depend upon, among other things, our service and responsiveness to our distributors and orthopedic specialists, the continued excellent clinical results of our products, and upon our ability to design and market innovative and technologically-advanced products that meet the needs of the marketplace.

Our dental reconstructive products compete in the areas of dental reconstructive implants and related products. The primary competitors in the dental implant market include Nobel Biocare AB, Straumann AG, Zimmer Dental (a subsidiary of Zimmer Holdings, Inc.) and Astra Tech (part of the AstraZeneca Group).

Fixation Devices

Our electrical stimulation devices primarily compete with those offered by Orthofix, Inc. (a subsidiary of Orthofix International N.V.), DJO Inc. (formerly dj Orthopedics, Inc.) and Smith & Nephew plc. Competition in the electrical stimulation market is on the basis of product design, service, price and success rates of various treatment alternatives.

Our external and internal fixation devices compete with other such devices primarily on the basis of price, ease of application and clinical results. The principal competitors in the external fixation market are Smith & Nephew plc, Stryker Trauma (a division of Stryker Corp.), Synthes, Inc. and Orthofix, Inc. (a subsidiary of Orthofix International N.V.). Our internal fixation product lines compete with those of Synthes, Inc., DePuy, Inc. (a Johnson & Johnson Company), Zimmer, Inc. (a subsidiary of Zimmer Holdings, Inc.), Smith & Nephew plc and Stryker Trauma (a division of Stryker Corp.).

Spinal Products

Our spinal fixation systems compete with other spinal fixation systems primarily on the basis of breadth of product line, product recognition and price. The principal competitors in this area are Medtronic Sofamor Danek, Inc. (a subsidiary of Medtronic, Inc.), DePuy Spine (a Johnson & Johnson Company), Synthes, Inc., Stryker Spine (a division of Stryker Corp.), Zimmer Spine (a subsidiary of Zimmer Holdings, Inc.) and others.

Other Products

Our craniomaxillofacial fixation products, specialty surgical instrumentation and neurosurgical cranial flap fixation products compete with those offered by Synthes, Inc., Stryker Leibinger Micro Implants (a division of Stryker Corp.), KLS-Martin, L.P., Osteomed Corp., Aesculap, Inc., Medtronic, Inc. and Codman (a Johnson & Johnson Company).

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Our arthroscopy products compete primarily in the areas of procedure-specific implants and instruments, manual instruments and power instruments. Competitors include Smith & Nephew Endoscopy (a division of Smith & Nephew plc, Stryker Corp, Linvatec Corp. (a subsidiary of CONMED Corporation), Mitek (a division of Ethicon, a Johnson & Johnson Company), Arthrocare Corp., and Arthrex, Inc.

Our orthopedic support products consist primarily of back braces, knee braces and immobilizers, wrist and forearm splints, cervical collars, shoulder immobilizers, slings, abdominal braces and ankle supports that compete with those offered by Orthofix, Inc. (a subsidiary of Orthofix International N.V.), DJO Inc. (formerly dj Orthopedics, Inc.) and Ossur. Competition in the bracing market is on the basis of product design, service and price.

Raw Materials and Supplies

The raw materials used in the manufacture of our orthopedic reconstructive devices are principally nonferrous metallic alloys, stainless steel and polyethylene powder. With the exception of limitations on the supply of polyethylene powder, none of our raw material requirements are limited to any material extent by critical supply or single origins. The demand for certain raw materials used by us, such as cobalt-chromium alloy and titanium may vary. The primary buyers of these metallic alloys are in the aerospace industry. If the demands of the aerospace industry should increase dramatically, we could experience complications in obtaining these raw materials. However, based on our current relationship with our suppliers, we do not anticipate a material shortage in the foreseeable future. Further, we believe that our inventory of raw materials is sufficient to meet any short-term supply shortages of metallic alloys. The results of our operations are not materially dependent on raw material costs.

We purchase all components of our electrical stimulators from approximately 190 outside suppliers, approximately 15 of whom are the single source of supply for the particular product. In most cases, we believe that all components are replaceable with similar components. In the event of a shortage, there are alternative sources of supply available for all components, but some time would likely elapse before our orders could be filled.

Coral is the primary raw material utilized to manufacture certain of our Pro Osteon® products. The coral used in Pro Osteon® products is sourced from two genera located in a variety of geographic locations. Our primary source of coral has historically been the tropical areas of the Pacific and Indian Oceans. Although we obtain our coral from a single source supplier, for which an alternate supplier has not been identified, we believe that we have an adequate supply of coral for the foreseeable future.

We purchase all materials to produce our dental products from approximately 95 suppliers, approximately 87 of whom are the single source of supply for the particular product. We believe that, in the event of a shortage, there are readily available alternative sources of supply for single-source products, and we maintain an inventory of materials sufficient to meet any short-term shortages of supply.

Employees

As of February 29, 2008, our domestic operations (including Puerto Rico) employed 4,297 persons, of whom 2,230 were engaged in production and 2,067 in research and development, sales, marketing, administrative and clerical efforts. Our international subsidiaries employed 2,891 persons, of whom 1,224 were engaged in production and 1,667 in research and development, sales, marketing, administrative and clerical efforts. None of our principal domestic manufacturing employees is represented by a labor union. The production employees at our Bridgend, South Wales facility are organized. Employees working at the facilities in Berlin and Dieburg, Germany; Valence, France; Swindon, United Kingdom; Sjöbo, Sweden; and Valencia, Spain are represented by Workers Councils. We believe that our relationship with all of our employees is satisfactory.

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The establishment of our domestic orthopedic reconstructive manufacturing operations in north central Indiana, near other members of the orthopedic industry, provides access to the highly skilled machine operators required for the manufacture of Biomet® products. Our European manufacturing locations in South Wales, England, France, Spain, Sweden and Germany also provide good sources for skilled manufacturing labor. Our Puerto Rican operations principally involve the assembly of purchased components into finished products using a skilled labor force.

Legal Proceedings

U.S. Department of Justice Consulting Agreements Investigation

On September 27, 2007, we entered into a Deferred Prosecution Agreement with the U.S. Attorney s Office of the District of New Jersey. The agreement concludes the government s investigation into whether consulting agreements between the largest orthopedic manufacturers and orthopedic surgeons who use joint reconstruction and replacement products may have violated the federal Anti-Kickback Statute.

Through the agreement, the U.S. Attorney s Office agrees not to prosecute us in connection with this matter, provided that we satisfy our obligations under the agreement over the next 18 months. The agreement calls for the appointment of an independent monitor to review our compliance with the agreement, particularly in relation to its consulting agreements.

As part of the resolution of this matter, we also entered into a Corporate Integrity Agreement with the Office of the Inspector General of the U.S. Department of Health and Human Services.

U.S. Department of Justice Antitrust Investigation and Related Litigation

In June 2006, we received a federal grand jury subpoena issued at the request of the U.S. Department of Justice, Antitrust Division, requesting documents for the period from January 2001 through June 2006 regarding possible violations of federal criminal law, including possible violations of the antitrust laws, relating to the manufacture and sale of orthopedic implant devices. We are aware of similar subpoenas directed to other companies in the orthopedic industry. We have cooperated and intend to continue to fully cooperate with the Department of Justice investigation. The result of this investigation may not be known for several years. However, the scope of the June 2006 subpoena was narrowed to a specific geographic region and specific product lines. It is our belief that the other orthopedic companies that received similar subpoenas have received similar guidance. It is our belief that the investigation was prompted by an unsolicited e-mail sent by a representative of one of our competitors that proposed a common pricing strategy in connection with a particular hospital. This e-mail was received by an independent sales representative of an independent distributor for Biomet Orthopedics, but it was never transmitted to us. Neither us, the independent distributor, nor the independent sales representative took any action in response to the e-mail, and we believe that no anticompetitive activity took place as a result of it. We require compliance by our employees and our independent distributors with our Code of Business Conduct and Ethics and with applicable antitrust laws. On March 26, 2008, we received a letter from a representative of the Department of Justice, Antitrust Division advising that the Department has closed its grand jury investigation of antitrust and related offenses in the orthopedic implants industry.

We have received complaints in class action lawsuits alleging violations of the Sherman Antitrust Act that raise the same antitrust issues as the U.S. Department of Justice investigation described above. The complaints also named various other companies in the orthopedic industry as defendants. These cases were consolidated under the caption In Re Orthopedic Implant Device Antitrust Litigation, Case No. 1:07-ml-9831-JDT-WTL with the United States District Court Southern District Indianapolis, Indiana Division, and on October 18, 2007 were voluntarily dismissed without prejudice.

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U.S. Department of Justice EBI Products Investigation and Related Litigation

In May 2007, we received a subpoena from the U.S. Department of Justice through the U.S. Attorney for the Southern District of West Virginia requesting documents generally relating to a certain number of products manufactured, marketed and sold by the EBI subsidiary for the period from January 1999 through the present. In June 2007, we received a second administrative subpoena from the U.S. Attorney for the Southern District of West Virginia requesting documents relating to a specific physician s assistant. We understand that the Department of Justice is conducting a civil investigation of EBI s sales and marketing practices relating to certain spinal products. We are fully cooperating with the request of the Department of Justice. We can make no assurances as to the time or resources that will be needed to devote to this inquiry or its final outcome.

Litigation Relating to Past Stock Option Grant Practices

On September 21, 2006, two shareholder-derivative complaints were filed against certain of our current and former officers and directors in Kosciusko Superior Court I in Kosciusko Country, in the State of Indiana. The complaints, captioned *Long v. Hann, et al.*, and *Thorson v. Hann, et al.*, alleged violations of state law relating to the issuance of certain stock option awards by us dating back to 1996. Both complaints sought unspecified money damages as well as other equitable and injunctive relief. These two cases were consolidated under the caption *In re Biomet, Inc. Derivative Litigation*, and on January 19, 2007, plaintiffs filed an amended complaint that made additional allegations based on our December 18, 2006 disclosures related to stock option awards, including allegations that the defendants sought to sell us in order to escape liability for their conduct, and that they did so at a devalued price, thus further breaching their fiduciary duties to shareholders. On February 5, 2008, the court granted the defendants motion to dismiss the amended complaint. On March 6, 2008, plaintiffs filed a notice of appeal.

On December 11, 2006, a third shareholder-derivative complaint captioned *International Brotherhood of Electrical Workers* (IBEW) *Local 98 Pension Fund v. Hann, et al.*, No. 06 CV 14312, was filed in federal court in the Southern District of New York. The *IBEW* case makes allegations and claims similar to those made in the Indiana litigation, in addition to purporting to state three derivative claims for violations of the federal securities laws. On February 15, 2007, defendants filed a motion to dismiss the plaintiff s complaint. On April 11, 2007, plaintiffs filed a motion for partial summary judgment claiming that the disclosures in our April 2, 2007 Form 8-K filing and press release regarding our historical stock options granting practices constitute admissions sufficient to establish defendants liability on certain of plaintiffs claims. Both motions are currently pending with the court.

Pursuant to Indiana law and provisions of our article of incorporation, we are advancing reasonable expenses, including attorneys fees, incurred by our current and former directors and officers in defending these lawsuits.

On May 25, 2007, the Board of Directors received and discussed an updated report from its Special Committee, which concluded that pursuing these shareholder-derivative lawsuits was not in our best interests. Under Indiana law, the Special Committee s determination may be binding on the pending shareholder-derivative lawsuits and result in dismissal of these lawsuits.

Litigation Relating to the Merger

On December 20, 2006, a purported class-action lawsuit captioned *Long, et al. v. Hann, et al.*, was filed in Indiana State court in the County of Kosciusko. The lawsuit names as defendants each member of our Board of Directors at the time, Dane Miller, Ph.D., and Blackstone Capital Partners V L.P., KKR 2006 Fund L.P., Goldman Sachs Investments Ltd., and TPG Partners V, L.P. The complaint alleges, among other things, that the defendants breached, or aided and abetted the breach of, fiduciary duties owed to our shareholders by our directors in connection with our entry into the Merger Agreement. Among the purported fiduciary breaches alleged in the complaint is that our director defendants knew that the only way they could escape liability for

their stock option granting improprieties would be to sell the Company, thus eliminating their liability. The complaint seeks, among other relief, class certification of the lawsuit, a declaration that the Merger Agreement was entered into in breach of the fiduciary duties of the defendants, an injunction preventing the defendants from proceeding with the Merger unless and until the defendants implement procedures to obtain the highest possible sale price, an order directing the defendants to exercise their fiduciary duties to obtain a transaction which is in the best interests of our shareholders until the process for a sale of the Company is completed and the highest price is obtained, an order directing the defendants to exercise their fiduciary duty to disclose all material information in their possession concerning the Merger prior to the shareholder vote, including fiscal 2007 second quarter financial results, imposition of a constructive trust upon any benefits improperly received by the defendants, an award of attorneys fees and expenses, and such other relief as the court might find just and proper. On March 29 and 30, 2007, the defendants filed motions to dismiss the plaintiffs complaint, and these motions are currently pending before the court.

On January 2, 2007, a purported class action lawsuit captioned *Gervasio v. Biomet, Inc., et al.*, was filed in the Supreme Court for the State of New York, New York County. A virtually identical action was filed on January 9, 2007, captioned *Corry v. Biomet, Inc., et al.*, in the same court. Both these lawsuits named as defendants Biomet, Inc., each member of our Board of Directors at the time, Dane Miller, Ph.D., The Blackstone Group L.P., Kohlberg Kravis Roberts & Co., Goldman Sachs Capital Partners, and Texas Pacific Group. The *Gervasio* complaint also purported to name as defendants Goldman Sachs Capital Partners and Texas Pacific Group, neither of which is a legally existing entity. The lawsuits made essentially the same claims and sought the same relief as in the *Long* action described above. On January 29, 2007, defendants filed a joint motion to dismiss *Gervasio*. On February 14, 2007, the plaintiff in *Corry* voluntarily discontinued his lawsuit and informed defendants that he intended to intervene in *Gervasio*. On March 26, 2007, the court granted defendants motion to dismiss *Gervasio*.

Pursuant to Indiana law and provisions of our articles if incorporation, we are advancing reasonable expenses, including attorneys fees, incurred by our current and former directors and officers in defending these lawsuits, with the exception of Dane Miller, Ph.D., whose status as a defendant does not arise from his status as a former director or officer.

We and each of the other defendants denies all of the allegations in these lawsuits, including any allegation that our current disclosures with regard to the pending Merger are false, misleading or incomplete in any way. Nevertheless, without admitting any liability or wrongdoing, we and the other defendants in these cases agreed to settle them in order to avoid the potential cost and distraction of continued litigation and, at the time, to eliminate any risk of any delay to the closing of the Merger posed by these lawsuits.

On May 31, 2007, we entered into a memorandum of understanding regarding the settlement of class action lawsuits that were filed on behalf of our shareholders following the announcement of the proposed Merger. The parties to the memorandum of understanding executed a definitive settlement agreement dated as of April 17, 2008. This settlement is subject to court approval. On April 25, 2008, the parties moved the Indiana State court in the County of Kosciusko for approval of the settlement. If the settlement becomes effective, the lawsuits will be dismissed with prejudice.

Pursuant to the terms of the settlement, we agreed to make available meaningful additional information, including financial information, to our shareholders. Such additional information was contained in the Current Report on Form 8-K filed on May 31, 2007. In addition, the Sponsors have agreed to cause us (or our successors) to pay the legal fees and expenses of plaintiffs counsel, in an amount of $600,000 in the aggregate, subject to approval by the court. The details of the settlement will be set forth in a notice to be sent to our shareholders prior to a hearing before the court to consider the settlement.

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U.S. Securities and Exchange Commission Informal Investigation

On September 25, 2007, we received a letter from the SEC informing us that it is conducting an informal investigation regarding possible violations of the Foreign Corrupt Practices Act in the sale of medical devices in certain foreign countries by companies in the medical devices industry. The Foreign Corrupt Practices Act prohibits U.S. companies and their officers, directors, employees, shareholders acting on their behalf and agents from offering, promising, authorizing or making payments to foreign officials for the purpose of obtaining or retaining business abroad or otherwise obtaining favorable treatment and this law requires companies to maintain records which fairly and accurately reflect transactions and to maintain internal accounting controls. In many countries, hospitals and clinics are government-owned and healthcare professionals employed by such hospitals and clinics, with whom we regularly interact, may meet the definition of a foreign official for purposes of the Foreign Corrupt Practices Act. If we are found to have violated the Foreign Corrupt Practices Act, we may face sanctions including fines, criminal penalties, disgorgement of profits and suspension or debarment of our ability to contract with government agencies or receive export licenses. On November 9, 2007, we received a letter from the Department of Justice requesting any information provided to the SEC be provided to the Department of Justice on a voluntary basis. We intend to fully cooperate with both requests and we are in the process of conducting our own review relating to these matters in certain countries in which we and our distributors conduct business.

Other Litigation

In February 2006, SDGI Holdings, Inc. and Medtronic Sofamor Danek, Inc. (collectively referred to herein as Medtronic) brought an action against EBI and us alleging infringement of seven patents. Specifically, Medtronic alleges that the patents are infringed by certain components of our Vuelock® Anterior Cervical Plate System, as well as instruments and surgical implantation methods associated with our Array® Spinal System. In Fall 2007, Medtronic included similar instruments used with EBI s Biomet® Omega 21 Polaris , and Synergy spinal fixation systems as accused products. Medtronic s complaint does not seek a specific amount of damages, but does seek to enjoin us from manufacturing, selling and/or distributing the allegedly infringing products. We have filed a counterclaim seeking a finding of non-infringement of the patents at issue and a finding that certain of the patents are invalid and unenforceable. Discovery on the litigation continues. We are vigorously defending this matter and intend to continue to do so.

We and Biomet Orthopedics initiated legal proceedings against Zimmer US, Inc., or Zimmer, certain of our former distributors and David Montgomery, our former employee who currently works for Zimmer. The thirteen count lawsuit originally filed in Marion County, Indiana and refiled in Hamilton County, Indiana alleges, among other things, that Zimmer and Mr. Montgomery attempted to create an unfair market advantage by engaging in a campaign to misappropriate our confidential information, to interfere with our contractual relations with distributors and to attempt to buy the assets of most of our distributors (including our surgical instruments) throughout the United States. Further, the lawsuit alleges that the limited number of distributors who accepted Zimmer s offer are in violation of their contractual obligations to us. Although nearly all of our distributors rejected Zimmer s offers and have remained with us, and although no amount of money damages can completely compensate us for the losses we have sustained as a result of defendants conduct, we are nonetheless seeking to recover compensatory damages that are attributable to financial and other resources spent on signing new agreements with our sales force. To the extent we sustained damages as a result of our former distributors agreeing to purportedly sell their assets to Zimmer, we are seeking to recover lost profits and other damages as well. In addition, we are seeking to recover punitive damages from the defendants. On November 9, 2007, defendants filed a motion to dismiss our complaint and on March 27, 2008, the court denied the motion in its entirety.

In a related matter, we brought suit against a former distributor for Biomet Orthopedics who, in violation of his contractual and other obligations to us under agreements stretching back to 1994, sold the assets of his distributorship to Zimmer in an apparent effort to avoid his contractual obligations to us. The complaint, now pending in federal district court in Indiana, asserts five causes of action that include breach of contract, unjust enrichment and statutory wrongs. Among other things, the complaint seeks injunctive relief and compensatory and punitive damages. On July 16, 2007, a temporary restraining order was entered against this former distributor

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which subsequently lapsed ten days later. Prior to the filing of the suit described above, this former distributor sued one of his former employees who decided to continue to represent our products in the future as he has for nearly ten years. The suit brought against this employee by our former distributor who sold his assets to Zimmer claims, among other things, that the former employee is violating his non-competition agreement with our former distributor by continuing to sell the same Biomet products the former employee sold while employed by our former distributor. The suit also seeks, among other forms of relief, an injunction and compensatory and punitive damages.

There are various other claims, lawsuits, disputes with third parties, investigations and pending actions involving various allegations against us incident to the operation of our business, principally product liability and intellectual property cases. Each of these matters is subject to various uncertainties, and it is possible that some of these matters may be resolved unfavorably to us. We accrue for losses that are deemed to be probable and subject to reasonable estimate. Based on the advice of our counsel in these matters, management believes that the ultimate outcome of these matters and any liabilities in excess of amounts provided will not have a material adverse impact on our consolidated financial statements taken as a whole.

Our Facilities

Our principal executive offices are at 56 East Bell Drive, Warsaw, Indiana. In addition, we maintain more than 50 other manufacturing facilities, offices and warehouse facilities in various countries, including Canada, Europe, Asia Pacific and Latin America. We believe that all of our facilities are adequate, well maintained and suitable for the development, manufacture, distribution and marketing of all our products. The following is a list of our principal properties as of March 31, 2008:

FACILITY	LOCATION	SQUARE FEET	OWNED/ LEASED
Corporate headquarters of Biomet, Inc.; manufacturing, storage and research and development facilities of Biomet Manufacturing Corp.; distribution center and offices of Biomet Orthopedics, LLC	Warsaw, Indiana	538,199	Owned
Administrative, manufacturing and distribution facility of EBI, LLC and administrative offices of Electro-Biology, LLC	(1)Parsippany, New Jersey	73,450	Owned
	(2)Parsippany, New Jersey	213,750	Owned
Manufacturing facility of EBI, LLC	Marlow, Oklahoma	51,500	Owned
Administrative, manufacturing and distribution facility of Biomet Microfixation, LLC	Jacksonville, Florida	82,500	Owned
Office, manufacturing and distribution facility of Biomet 3i, LLC	(1)Palm Beach Gardens, Florida	117,000	Owned
	(2) Palm Beach Gardens, Florida (a)	69,000	Owned
Office and manufacturing facilities of Biomet Sports Medicine, LLC	(1) Ontario, California	35,400	Owned
	(2) Redding, California	14,400	Leased
Manufacturing facility of Biomet Fair Lawn, LLC	Fair Lawn, New Jersey	40,000	Owned
Office and manufacturing facility of Electro-Biology, LLC	Guaynabo, Puerto Rico	34,700	Owned
Office, manufacturing and distribution facilities of Interpore Spine Ltd.	(1) Irvine, California	36,800	Leased
	(2) Irvine, California	2,700	Leased

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FACILITY	LOCATION	SQUARE FEET	OWNED/ LEASED
Office, manufacturing and warehouse facility of Biomet France Sarl	Valence, France	86,100	Owned
Office, manufacturing and warehouse facilities of Biomet Deutschland GmbH	Berlin, Germany	49,900	Owned
Administrative offices of Biomet Europe B.V. and office and warehouse facility of Biomet Nederland BV and Biomet Microfixation Europe B.V.	Dordrecht, The Netherlands	37,700	Owned
Office and manufacturing facility of Biomet Spain Orthopedics S.L.	Valencia, Spain	69,600	Owned
Office, manufacturing and warehouse facilities of Biomet Cementing Technologies AB	Sjobo, Sweden	24,200	Owned
Manufacturing and administrative facilities of Biomet UK Ltd.	(1)Bridgend, South Wales	111,956	Owned
	(2)Swindon, England	54,800	Owned
Manufacturing, administrative and warehouse facilities of Zhejiang Biomet	Jinhua, China(b)	39,287	Leased

(a) Includes 23,000 square feet of space in this facility that is leased to other parties.
(b) In addition, we own two parcels of land suitable for building manufacturing facilities in Jinhua and Changzhou, China and our future business strategy may involve the operation of other manufacturing facilities in China.

Patents and Trademarks

We believe that patents and other intellectual property will continue to be of importance in the musculoskeletal industry. Accordingly, we continue to protect technology developed internally and to acquire intellectual property rights associated with technology developed externally. We enforce our intellectual property rights consistent with our strategic business objectives. We do not believe that we have any single patent or license (or series of patents or licenses) that is material to our operations. We are not aware of any single patent that, if lost or invalidated, would be material to our consolidated revenues or earnings. We currently have more than 1,300 patents and in excess of 700 pending patent applications.

BIOMET is our principal registered trademark throughout the world, and registrations have been obtained or are in process with respect to various other trademarks associated with our products. Unless otherwise noted in this prospectus, all trademarks contained herein are owned by Biomet Manufacturing Corp., or one of its affiliates.

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MANAGEMENT

Directors and Executive Officers

The following table sets forth the name, age and position of (1) our directors and (2) our executive officers.

Name	Age	Position
Jeffrey R. Binder	45	President and Chief Executive Officer, Director
Jonathan J. Coslet	42	Director
Michael Dal Bello	36	Director
Adrian Jones	43	Director
David McVeigh	40	Director
Michael Michelson	56	Director
Dane A. Miller, Ph.D.	62	Director
John Saer	50	Director
Todd Sisitsky	36	Director
Gregory L. Summe	51	Director
Daniel P. Florin	44	Senior Vice President and Chief Financial Officer
Glen A. Kashuba	45	Senior Vice President; President of Biomet Trauma and Biomet Spine
Gregory W. Sasso	46	Senior Vice President; President of Biomet SBU Operations
Steven F. Schiess	48	Senior Vice President; President of Biomet 3i, LLC
Jon C. Serbousek	47	Senior Vice President; Biomet Orthopedics, LLC
Bradley J. Tandy	49	Senior Vice President, General Counsel and Secretary
Peggy Taylor	51	Senior Vice President Human Resources
Roger P. Van Broeck	58	Senior Vice President; President of Biomet Europe, Middle East and Africa

Jeffrey R. Binder has been a director and President and Chief Executive Officer since February 2007. Prior to this appointment, Mr. Binder served as Senior Vice President of Diagnostic Operations of Abbott Laboratories from January 2006 to February 2007. Mr. Binder previously served as President of Abbott Spine from June 2003 to January 2006, and as President and Chief Executive Officer of Spinal Concepts from 2000 to June 2003.

Jonathan J. Coslet has been a director since July 2007. Mr. Coslet has been a Partner of TPG since 1993 and is currently a senior partner and member of the firm s Executive, Management and Investment Committees. Mr. Coslet serves on the board of directors of IASIS Healthcare Corp., The Neiman Marcus Group, Inc., J. Crew Group, Inc., Petco Animal Supplies, Inc. and Quintiles Transnational Corp.

Michael Dal Bello has been a director since July 2007. Mr. Dal Bello has been a Principal in the Private Equity Group of The Blackstone Group since December 2005 and was an Associate in this group from 2002 until December 2005. Prior to joining Blackstone, Mr. Dal Bello received an M.B.A. from Harvard Business School in 2002. Mr. Dal Bello serves on the board of directors of Catalent Pharma Solutions, Inc., Global Tower Partners, Sithe Global Power, LLC, Team Finance LLC and Vanguard Health Systems, Inc.

Adrian Jones has been a director since July 2007. Mr. Jones has been a Managing Director of Goldman, Sachs & Co. since 2002 and has worked at Goldman, Sachs & Co. since 1994. Mr. Jones serves on the board of directors of Burger King Holdings, Inc., Dollar General Corporation, Education Management Corporation, and HealthMarkets, Inc.

David McVeigh has been a director since September 2007. Mr. McVeigh is an executive director at Blackstone in the private equity group. Mr. McVeigh recently joined Blackstone from McKinsey & Company, where he spent 12 years and was a partner. At McKinsey, Mr. McVeigh was one of the leaders of the North American Chemicals practice and the Northeast Energy and Materials practice. Mr. McVeigh serves on the board of directors of Michaels Stores, Inc.

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Michael Michelson has been a director since July 2007. Mr. Michelson has been a member of the limited liability company that serves as the general partner of KKR since 1996 and, prior thereto, was a general partner of KKR. Mr. Michelson serves on the board of directors of Accellent Inc., Jazz Pharmaceuticals, Inc. and HCA, Inc.

Dane A. Miller, Ph.D. has been a director since July 2007. Dr. Miller is one of our four founders and served as our President, Chief Executive Officer and a director from 1977 until 2006. Dr. Miller serves on the board of directors of 1st Source Corporation, ForeTravel, Inc., the Indiana Economic Development Corporation, the University of Chicago Health Systems and the World Craniofacial Foundation.

John Saer has been a director since July 2007. Mr. Saer has been an executive of the limited liability company that serves as the general partner of KKR since 2001. Mr. Saer serves on the board of directors of KSL Holdings Corporation.

Todd Sisitsky has been a director since July 2007. Mr. Sisitsky has been a Partner of TPG since 2007. From 2003 until 2007, he was an Investor at TPG. From 2001 until 2003, he was an Investor/Associate at Forstmann Little & Co. Mr. Sisitsky serves on the board of directors of IASIS Healthcare Corp., Fenwal, Inc. and Surgical Care Affiliates.

Gregory L. Summe has been a director since April 2008. Mr. Summe is a consultant to Goldman, Sachs & Co. From 1999 until 2008, Mr. Summe had been Chief Executive Officer and Chairman of the Board of PerkinElmer, Inc. and from 1998 to 1999, he was the President and Chief Operating Officer of PerkinElmer, Inc. Mr. Summe serves on the boards of directors of the State Street Corporation and Automatic Data Processing Inc.

Daniel P. Florin has been Senior Vice President and Chief Financial Officer since June 2007. Prior thereto, Mr. Florin served as Vice President and Corporate Controller for Boston Scientific Corporation since 2001. Prior to being appointed as Corporate Controller in 2001, Mr. Florin served in financial leadership positions within Boston Scientific Corporation and its various business units since July 1995.

Glen A. Kashuba has been Senior Vice President of Biomet, Inc. and President of Biomet Trauma and Biomet Spine since April 2007. Prior thereto, Mr. Kashuba served as Worldwide President of Cordis Endovascular, a division of Johnson & Johnson. Mr. Kashuba had been with Johnson & Johnson since 1998, also holding the positions of Worldwide President of Codman Neuro Science (from December 2002 to November 2005) and U.S. President of DePuy AcroMed, now known as DePuy Spine.

Gregory W. Sasso has been Senior Vice President and President of Biomet SBU Operations since June 2007. Prior thereto, Mr. Sasso served as Senior Vice President Corporate Development and Communications since June 2006. Prior thereto, he was Vice President Corporate Development and Communications from April 1997 to June 2006.

Steven F. Schiess has been Senior Vice President and President of Biomet 3i, LLC since January 2007. Prior thereto, he was Vice President and President of Biomet 3i from June 2005 to January 2007. Prior thereto, he was Senior Vice President, Sales and Marketing of Biomet 3i from 2001 to June 2005.

Jon C. Serbousek has been the President of Biomet Orthopedics, LLC since March 2008. For the past eight years, Mr. Serbousek held diverse general management roles with Medtronic in the areas of Spinal Reconstruction, International, New Technology Development and most recently, worldwide Vice-President and General Manager, Biologics.

Bradley J. Tandy has been Senior Vice President, General Counsel and Secretary since April 2007. Prior thereto, Mr. Tandy served as Senior Vice President, Acting General Counsel and Secretary from January 2007 to April 2007, and Senior Vice President, Acting General Counsel, Secretary and Corporate Compliance Officer from March 2006 to January 2007. Mr. Tandy previously served as Vice President, Assistant General Counsel and Corporate Compliance Officer at Biomet, Inc. from January 1999 to March 2006.

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Peggy Taylor has been Senior Vice President Human Resources since August 2007. Prior thereto, Ms. Taylor served as Vice President of Human Resources for Diagnostics Division of Abbott Laboratories from April 2000 to August 2007.

Roger P. Van Broeck has been Vice President since July 2007 and President of Biomet Europe, Middle East and Africa since March 2004. For a brief period during 2007, Mr. Van Broeck also served as President of International Operations. From September 1998 to March 2004, he was Chief Executive Officer of BioMer C.V. and Biomet Merck B.V., Biomet s joint venture with Merck KGaA (Darmstadt).

Board Composition

Our Board of Directors consists of ten directors. Each of our Sponsors has the right to nominate, and have nominated, two directors to serve on our Board of Directors. Following Purchaser s purchase of the shares tendered in the Offer, the Sponsors jointly appointed Dr. Miller and Jeffrey R. Binder to the Board of Directors in addition to the two directors appointed by each of the Sponsors. Because of their affiliations with the Sponsors and us, none of our directors are independent. For more information regarding the rights of the Sponsors to nominate directors and other related arrangements, see Certain Relationships and Related Party Transactions Amended and Restated Limited Liability Company Operating Agreement of LVB Acquisition Holding, LLC.

Audit Committee

Our audit committee currently consists of Messrs. Dal Bello, Saer, Sisitsky and Summe. None of the directors serving on the audit committee is independent. The audit committee is responsible for assisting our Board of Directors in fulfilling its oversight responsibility relating to the integrity of our financial statements and its financial reporting process, the systems of internal accounting and financial controls, the performance of our independent auditor and internal audit function, and the independent auditor s qualifications and independence.

Corporate Oversight and Compliance Committee

Our corporate oversight and compliance committee currently consists of Messrs. Dal Bello, Miller, Saer, Sisitsky and Summe. None of the directors serving on the corporate oversight and compliance committee is independent. The committee is responsible for assisting the Board in overseeing our compliance with legal and regulatory requirements, our Code of Business Conduct and Ethics and our Fraud and Abuse Compliance Policies.

Compensation Committee

Our compensation committee currently consists of Messrs. Coslet, Jones, Michelson and McVeigh. None of the directors serving on the compensation committee is independent. The compensation committee is responsible for reviewing and approving goals and objectives related to the chief executive officer s compensation, evaluating the chief executive officer s performance against these goals and objectives and approving his compensation, approving total compensation for the other senior executive officers, establishing total compensation for the directors and overseeing our general cash-based and equity-based incentive plans.

Compensation Committee Interlocks and Insider Participation

None of our executive officers serve, or in the past fiscal year have served, as a member of the board of directors or compensation committee of any other entity that has executive officers who have served on our board of directors or compensation committee.

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EXECUTIVE COMPENSATION

Introduction

Compensation and related matters are reviewed and approved by (1) the Compensation and Stock Option Committee of the Company with respect to periods prior to consummation of the Transactions and (2) the Compensation Committees of Holding, Parent and the Company with respect to periods after consummation of the Transactions, which we refer to, collectively, as the Compensation Committee.

Throughout fiscal 2007 we were a public company, with our common stock traded on the NASDAQ National Market. As such, the Compensation and Stock Option Committee of our Board of Directors was responsible for developing, implementing and administering our cash and equity compensation policies. As a result of the Transactions, however, many of our equity compensation arrangements that had been in place during the 2007 fiscal year were discontinued in connection with the Transactions.

As noted in Management Board Composition above, in connection with the Transactions, each member of our Board of Directors (other than Mr. Binder, our President and Chief Executive Officer) serving prior to the Transactions resigned from our Board of Directors and all committees thereof (including our Compensation Committee) and new members of the Board were appointed by our sole shareholder, Parent, on behalf of the Sponsors.

In addition, pursuant to the terms of the Merger Agreement, all stock options outstanding (whether held by officers, directors, employees or distributors) were cancelled and the holders thereof became entitled to receive from us an amount equal to the excess, if any, of the $46.00 offer price over the option exercise price for each share subject to the stock option, in each case, less any applicable withholding taxes and without interest and regardless of whether or not the awards were then vested or exercisable. Furthermore, following consummation of the Transactions, the LVB Acquisition, Inc. 2007 Management Equity Incentive Plan (the 2007 LVB Plan) was established.

The information provided below describes our compensation program during the 2007 fiscal year as it related to the compensation of our named executive officers, summarizes the payments received by our then Board of Directors and named executive officers in connection with the Transactions and briefly describes the more significant developments in our compensation philosophy following the Transactions, including a summary of the 2007 LVB Plan established following the consummation of the Transactions.

Compensation Discussion and Analysis

This section includes information regarding, among other things, the overall objectives of our compensation programs and each element of compensation that we provided, in each case with respect to the 2007 fiscal year. The goal of this section is to provide a summary of our executive compensation practices and the decisions that we made during this period concerning the compensation package payable to our executive officers, including the seven executives in the Summary Compensation Table. Each of the seven executives listed in the Summary Compensation Table is referred to herein as a named executive officer. This Compensation Discussion and Analysis should be read in conjunction with the detailed tables and narrative descriptions under Executive Compensation Tables below.

Compensation and Stock Option Committee and Compensation Methodology

During the 2007 fiscal year, the Compensation and Stock Option Committee of the Board was responsible for administering the compensation and benefit programs for our team members, including the executive officers. Historically, the Compensation and Stock Option Committee annually reviewed and evaluated cash compensation

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and stock option award recommendations along with the rationale for such recommendations, as well as summary information regarding the aggregate compensation, provided to our executive officers. The Compensation and Stock Option Committee examined these recommendations in relation to our overall objectives and made compensation recommendations to the Board for final approval. The Compensation and Stock Option Committee also historically sent to the Board for approval its recommendations on compensation for the Chairman of the Board and the President and Chief Executive Officer, who did not participate in the decisions of the Board as to their compensation packages. Neither the Chairman of the Board nor the President and Chief Executive Officer during fiscal 2007 was a member of the Compensation and Stock Option Committee during the 2007 fiscal year.

Traditionally, we have not hired a compensation consultant to review our compensation practices. In connection with change-in-control agreements entered into between us and certain members of our senior management team prior to the consummation of the Transactions, we engaged The Kinsley Group, an independent compensation consultant, primarily to provide guidance to the Board on the terms of the agreements and relevant practices of the marketplace. The Kinsley Group also provided an evaluation of our compensation practices with respect to the compensation paid to certain members of our senior management team and members of the Board. In addition, in more recent periods prior to the consummation of the Transactions, we engaged The Kinsley Group to provide a more comprehensive evaluation of our compensation practices and to offer additional research capabilities and expertise in designing and operating executive compensation programs.

Prior to the engagement of The Kinsley Group, the compensation of our executives was determined by the Compensation and Stock Option Committee after consideration of an informal peer group consisting of some of our competitors through publicly available filings, such as proxy statements filed with the SEC. However, the Compensation and Stock Option Committee did not engage in formal benchmarking during this informal review period or in making compensation decisions. Among the companies that we used for our informal peer group analysis during these periods are:

Stryker Corporation	Zimmer Holdings, Inc.	Smith & Nephew plc
ReAble Therapeutics, Inc.	Orthofix International N.V.	Wright Medical Group, Inc.
Exactech, Inc.		

Our executive compensation practices are also affected by the highly competitive nature of the orthopedics industry and the location of our executive offices in Warsaw, Indiana. The fact that a number of the leading orthopedic manufacturers in the world have significant operations in and around Warsaw, Indiana, means that there are continuing opportunities for experienced orthopedic executives who reside in this area. On the other hand, the fact that Warsaw, Indiana, is a small town in a predominantly rural area can present challenges to attracting executive talent from other industries and parts of the country.

Executive Compensation Philosophy and Objectives

Our executive compensation policies and practices during the 2007 fiscal year reflected the compensation philosophies of our founders and were designed to help achieve the superior performance of our executive officers and management team by accomplishing the following goals:

- attracting, retaining and rewarding highly-qualified and productive persons;
- relating compensation to both company and individual performance;
- establishing compensation levels that are internally equitable and externally competitive; and
- encouraging an ownership interest and instilling a sense of pride in Biomet, consistent with the interests of our shareholders.

This compensation methodology was based on the belief that all team members play a critical role in our success and, therefore, all team members were eligible to participate in our cash and equity compensation plans.

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This compensation methodology was based upon one of our founding philosophies: equity incentives in the form of stock options are an excellent motivation for all team members, including executive officers, and serve to align the interests of team members, management and shareholders.

Based on these objectives, the compensation package of our executive officers during the 2007 fiscal year was intended to meet each of the following three criteria: (1) market-competitive levels with companies of similar size and performance to us, such as the companies discussed above as our informal peer group; (2) performance-based, at risk pay that is based on both short- and long-term goals; and (3) shareholder aligned incentives that are structured to create alignment between the shareholders and executives with respect to short- and long-term objectives.

The Elements of Biomet s Compensation Program

As a result of our compensation philosophies and objectives, the compensation package of our executive officers during the 2007 fiscal year consisted of five primary elements: (1) base salary; (2) discretionary annual cash bonuses; (3) stock options; (4) participation in employee benefit plans; and (5) deferred compensation elections.

Base Salary. Consistent with the Compensation and Stock Option Committee s consideration of our informal peer group, our practice during the 2007 fiscal year was to provide base salaries at rates that we believed to be comparable with positions of executives in the orthopedics industry of similar responsibility to our executives and other companies of similar size to us. The Compensation and Stock Option Committee has historically made a recommendation to the Board concerning the appropriate base salary for each executive officer based on our performance, the executive officer s performance, our future objectives and challenges and the current competitive environment. Historically, the Board has set the base salary for each executive officer at the beginning of each calendar year, after receiving a recommendation from the Compensation and Stock Option Committee. We consider our 2007 base salaries to have been in line with our compensation objectives.

Discretionary Annual Cash Bonuses. During the 2007 fiscal year, we provided the opportunity for all our team members, including members of our senior management team, to earn discretionary annual cash bonuses. These awards were intended to compensate our team members for contributing to our achievement of our financial and operational goals and, in certain cases, for achieving individual annual performance objectives. Except as described below, the full amount of the potential discretionary annual cash bonus for our senior management team, including our named executive officers, has historically been determined at the discretion of the Compensation and Stock Option Committee, after considering the recommendation of the President and Chief Executive Officer (other than for himself), and approved by the Board after the conclusion of each fiscal year. In exercising its discretion, the Compensation and Stock Option Committee primarily has historically taken into account the growth in revenues and earnings and market share penetration of the operations for which each executive is responsible or plays a significant role, as well as the goals, objectives, responsibilities and length of service of each executive.

The annual cash bonuses payable to our named executive officers for the 2007 fiscal year were as follows:

pursuant to the terms of the employment agreement between us and Mr. Binder dated February 26, 2007, and the terms of the offer letter provided to Mr. Richardson by us dated March 26, 2007, Messrs. Binder and Richardson received bonuses of $162,500 and $24,722, which represented Messrs. Binder s and Richardson s target discretionary annual cash bonuses for the 2007 fiscal year, respectively, pro-rated based on their respective lengths of service during the 2007 fiscal year;

pursuant to the separation and retirement agreement dated May 31, 2007 between us and Mr. England, Mr. England received 100% of his target bonus upon consummation of the transactions contemplated by the Merger Agreement;

pursuant to his separation and retirement agreement dated June 6, 2007, Mr. Niemier received 100% of his target bonus;

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pursuant to the retirement and consulting agreement dated March 30, 2007 between us and Mr. Hann, subject to certain conditions we agreed to pay Mr. Hann $133,333 in full discharge of Mr. Hann s annual cash bonus for the 2007 fiscal year (prior to his retirement on March 30, 2007, Mr. Hann had also received, and was permitted to retain, $200,000, which represented 50% of his target annual cash bonus for the 2007 fiscal year, which was paid out in December 2006);

pursuant to the retirement and consulting agreement dated March 30, 2007 between us and Mr. Hartman, Mr. Hartman agreed to forfeit the remaining unpaid portion of his annual cash bonus for the 2007 fiscal year (prior to his retirement on March 30, 2007, Mr. Hartman had also received, and was permitted to retain, $156,000, which represented 50% of his target annual cash bonus for the 2007 fiscal year, which was paid out in December 2006); and

upon the Compensation and Stock Option Committee s recommendation, the Board approved an annual cash bonus payment to Mr. Van Broeck equal to 97.5% of his target bonus, which was generally a higher percentage than other executive officers due to our European operations exceeding our other significant business units in terms of sales and earnings.

Stock Options. Stock options have always been an element of our long-term incentive program. The primary purpose of stock options is to provide executive officers and other team members with a personal and financial interest in our success through common share ownership, thereby aligning the interests of executive officers and other team members with those of our shareholders. Our broad-based stock option program was intended to further our goal of motivating outstanding long-term contributions by team members within all levels of Biomet. Our methodology for determining the compensation package of our executive officers during the 2007 fiscal year was based upon the belief that stock options help to create an entrepreneurial environment within Biomet and instill the spirit of a small company. Additionally, our methodology for determining the compensation package of our executive officers during the 2007 fiscal year was based upon the belief that stock options provide broad incentives for the day-to-day achievements of all team members in order to sustain and enhance our long-term performance.

Stock option awards during the 2007 fiscal year were based on an individual s level of responsibility, contribution, length of service and total number of common shares owned in relation to other executive officers. All team members were eligible to receive stock options, including all our hourly team members and our subsidiaries in the United States and most other countries, who were eligible to receive a stock option after just two years of service with us or one of our subsidiaries.

Under the Biomet, Inc. 1998 Qualified and Non-Qualified Stock Option Plan (the 1998 Plan) and the Biomet, Inc. 2006 Equity Incentive Plan (the 2006 Plan), options may have also been granted to key employees, non-employee directors and distributors, at the discretion of the Compensation and Stock Option Committee, and generally became exercisable in annual or biannual increments beginning one or two years after the date of grant in the case of employee options and in annual increments beginning at the date of grant for distributor options. The term of each option granted expires within the period prescribed by the Compensation and Stock Option Committee, but was generally not more than five years from the date the option was granted if the optionee was a 10% or more shareholder, and not more than ten years for all other optionees. All rights under the options automatically terminated upon the optionee s separation from service with us, unless such separation results from retirement, disability or death.

During the 2005 and 2006 fiscal years, we also granted conditional performance stock option awards, which conditioned the number of common shares earned by the award recipient on our shareholder return over a three-year period against our informal peer group discussed above. Based on our performance over this three-year period, the recipient could earn between zero common shares and 150% of the target number of common shares provided for in the conditional performance grant. At the completion of the three-year performance period, the earned option remains exercisable for two years before the option expires. During the 2007 fiscal year, we did not grant any conditional performance option awards.

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As of the end of the 2007 fiscal year, we had two stock option plans with common shares available for grant: the 1998 Plan and the 2006 Plan. However, in connection with certain limitations placed on us under the Merger Agreement, we did not grant any stock option or other equity compensation awards under the 1998 Plan or the 2006 Plan subsequent to December 18, 2006, including to new senior management hired during the 2007 fiscal year. In addition, since the terms of the Merger Agreement provided that all unexercised options were cashed out upon consummation of the Transactions, we believed additional or new-hire grants of stock options would offer little retentive value to members of senior management. Following consummation of the Transactions, the 2007 LVB Plan was established. For a further description of the 2007 LVB Plan see The LVB Acquisition, Inc. Management Equity Incentive Plan below.

Perquisites. We believe that our approach to perquisites has historically been comparable to other companies in our industry, such as the companies discussed above as our informal peer group. Our CEO and other named executive officers have historically generally been permitted, when practical, to use company aircraft for business and personal travel for security reasons. On a case by case basis, we have historically reimbursed executives for social club dues or offered to provide a travel allowance in connection with Biomet-related travel or relocation assistance to certain members of our senior management team who relocate their principal residence at our request. For example, we have historically, at times, provided reimbursement of moving expenses, offered protection against a loss on the sale of the executive s home or provide tax gross ups for certain capital gains recognized by executives on the sale of the executive s home. Typically, however, we have not historically provided tax gross ups on perquisites.

Health and Welfare Benefits. Named executive officers have historically received similar benefits to those provided to all other salaried U.S. employees, such as medical, dental, vision, life insurance and disability coverage.

Post-Termination Compensation and Management Continuity Agreements. As described in further detail below, during the 2007 fiscal year, named executive officers were provided arrangements which specified payments in the event the executive s employment is terminated. The type and amount of payments varied by executive level and the nature of the termination. These severance benefits, which are competitive with the companies discussed above as our informal peer group and general industry practices, are payable if and only if the executive s employment terminates as specified in the applicable plan document or employment agreement. For more information, refer to Employment Agreements and Potential Post-Termination Payments.

Historically, we did not offer management continuity agreements to members of senior management. During the 2007 fiscal year, however, we engaged The Kinsley Group to assist with the preparation of and execution of change-in-control agreements with members of our senior management team. These agreements were intended to provide for continuity of management in the context of a prospective change in control of Biomet. These agreements were necessary to reinforce and encourage the continued attention and dedication of members of our senior management to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control. For certain named executive officers, namely Messrs. Hartman, Hann, England and Niemier, original change-in-control agreements executed with us on September 20, 2006 were subsequently superceded or modified in connection with their retirement. For further information on the terms of the change-in-control agreements, refer to Employment Agreements and Potential Post-Termination Payments Change-in-Control Agreements below.

Retirement Plans. We do not sponsor or maintain any pension plans applicable to our U.S.-based named executive officers, however, during the 2007 fiscal year we had defined benefit retirement plans for certain of our foreign subsidiaries, discussed herein as our foreign pension plans, which covered certain of our overseas employees. One of these foreign pension plans was applicable to Mr. Van Broeck during the 2007 fiscal year and sponsored by Biomet Europe B.V. (Biomet Europe). During the 2007 fiscal year Biomet Europe provided all employees, whether salaried or hourly, with the opportunity to build up benefits under pension plans as part of Biomet Europe s standard conditions for working in the Netherlands in order to provide a level of retirement

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benefits competitive with European market conditions. The benefits under this foreign pension plan are generally based on years of service and a calculation of the employee s weighted average final base salary. Detailed explanations of these terms and calculations can be found in the narrative discussion accompanying the Pension Benefits Table in Executive Compensation Tables Retirement And Non-Qualified Defined Contribution And Deferred Compensation Plans Pension Plans below. The investment objective is to enable a fixed, guaranteed payout to the employee at the time of the employee s retirement, except, in the case of Mr. Van Broeck, for a moderate profit-sharing provision, which may affect him by providing an additional benefit based on the collective return of the plan assets. The assets covered by the pension plan are managed by independent investment professionals, however, due to the guaranteed payout, policyholders are relatively unaffected by poor performance and affected only by positive investment returns under the profit-sharing provision. The net assets of these foreign pension plans did not include any of our common shares as of April 30, 2007 (the same measurement dates used for the 2007 fiscal year with respect to our foreign subsidiaries). For information about Mr. Van Broeck s pension benefits, refer to the Pension Benefits Table in Executive Compensation Tables Retirement And Non-Qualified Defined Contribution And Deferred Compensation Plans Pension Plans below.

In addition, during the 2007 fiscal year our executive officers were eligible to participate in our 401(k) plan (the 401(k) Plan). All team members residing in the United States who are at least 18 years of age and complete at least 90 days of continuous service or work at least 1,000 hours per year were also eligible during the 2007 fiscal year to participate in the 401(k) Plan. Historically each year we, in our sole discretion, may match 75% of each team member s contributions, up to a maximum amount equal to 5% of the team member s compensation, either in cash or in common shares. All contributions to the 401(k) Plan are allocated to accounts maintained on behalf of each participating team member and, to the extent vested, are available for distribution to the team member or beneficiary upon retirement, death, disability or termination of service. Historically, the 401(k) Plan has purchased common shares with our matching contribution.

Executive officers have also historically participated in our Employee Stock Bonus Plan (the ESBP), which was merged into and with our 401(k) Plan during the 2007 fiscal year. Under the ESBP, we could make contributions to the ESBP in the form of common shares or cash in such amounts, if any, as it determined in our sole discretion, and participating team members could make voluntary contributions to the ESBP in amounts up to 10% of their annual compensation. Historically, we had made contributions to the ESBP equal to 3% of each team member s annual base salary, up to the maximum amount permitted by applicable Internal Revenue Service regulations. The funds accumulated under the ESBP were invested by the trustee primarily in our common shares.

In addition, we maintain The Biomet, Inc. Deferred Compensation Plan (the Deferred Compensation Plan), a non-qualified deferred compensation plan, which is available for our senior management and members of the Board. The Deferred Compensation Plan allows eligible participants to defer pre-tax compensation to reduce current tax liability and assist those team members in their planning for retirement and other long-term savings goals in a tax-effective manner. We do not make any contributions to the Deferred Compensation Plan. Under the Deferred Compensation Plan, eligible participants may defer up to 100% of their base salary and cash bonus payments, as well as Board fees for non-employee directors, as applicable. Scheduled distributions from the Deferred Compensation Plan are available, and penalty-free, but treated as ordinary income subject to federal and state income taxation at the time of distribution. Except in circumstances of hardship, unscheduled withdrawals are not permitted. Amounts contributed to the Deferred Compensation Plan are at the participant s election and deemed investments, which means that the participants have no ownership interest in the investment alternative selected. The participants deferrals and gains are reflected on our financial statements and are our unsecured general assets. The Deferred Compensation Plan is an unfunded future promise to pay by us. Neither Biomet nor the Deferred Compensation Plan record-keeper provides any guarantee of investment return. We do not pay above-market interest rates on deferred amounts of compensation. For more information, refer to Executive Compensation Tables Retirement and Non-Qualified Defined Contribution and Deferred Compensation Plans Non-Qualified Deferred Compensation below.

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Role of Management in Compensation Decisions. The Compensation and Stock Option Committee has historically annually reviewed and evaluated recommendations made by the Chairman of the Board and the President and Chief Executive Officer for the executive officers (other than for themselves) along with the rationale for such recommendations and the summary information regarding aggregate compensation provided to our executive officers. The Compensation and Stock Option Committee has historically examined these recommendations in relation to our overall objectives and makes compensation recommendations to the Board for final approval. The Compensation and Stock Option Committee also has historically delivered to the Board for approval its recommendations on compensation for the Chairman of the Board and the President and Chief Executive Officer, who do not participate in the decisions of the Board as to their compensation packages. Neither the Chairman of the Board nor the President and Chief Executive Officer was a member of the Compensation and Stock Option Committee during the 2007 fiscal year.

Common Share Ownership Guidelines. In past years, we have not adopted guidelines with respect to our senior management team s ownership of common shares. More recently during the 2007 fiscal year, the Board considered adopting such a policy for members of senior management, however, these discussions were discontinued upon execution of the Merger Agreement.

Policy with Respect to Deductibility of Compensation over $1 Million. Section 162(m) of the Code generally limits to $1 million the tax deductibility of annual compensation paid to certain executives named in the Summary Compensation Table. However, performance-based compensation can be excluded from this limit if it meets certain requirements. Prior to the Transactions, the Compensation and Stock Option Committee s policy was historically to consider the impact of Section 162(m) in establishing compensation for our senior executives. However, the Compensation and Stock Option Committee historically retained the discretion to establish compensation, even if such compensation is not deductible under Section 162(m), if, in the Compensation and Stock Option Committee s judgment, such compensation is in our best interest and is reasonably expected to increase shareholder value. Following the Transactions, because we no longer have publicly-held equity, the restrictions of Section 162(m) no longer apply. However, since achieving increased enterprise value creation remains our goal, the Compensation Committee has emphasized performance-based compensation as an important part of the named executive officers total compensation package.

Accounting for Stock-Based Compensation. We adopted SFAS 123(R), Share-Based Payment, on June 1, 2006 using the modified prospective method. SFAS 123(R) requires all share-based payments to employees, including stock options, to be expensed based on their fair value over the required award service period. We use the straight-line method to recognize compensation expense related to share-based payments. In the prior year, we were governed by Accounting Principles Board No. 25, Accounting for Stock Issued to Employees, in accounting for our stock option awards to employees.

Under the modified prospective method, the provisions of SFAS 123(R) apply to all share-based compensation awards granted or modified on or after the date we adopted SFAS 123(R), June 1, 2006. For share-based compensation awards granted prior to the date of adoption, the unrecognized expense related to the unvested portion of such awards at the date of adoption will be recognized in net income under the grant date fair value provisions under SFAS 123(R). The Compensation and Stock Option Committee reviews and considers the accounting impact of our equity awards in recommending the size and terms of such awards.

For a detailed discussion of stock option awards during the 2007 fiscal year and their material terms, refer to The Elements of Biomet s Compensation Program Stock Options above and Executive Compensation Tables Grant of Plan-Based Awards Table below. For further information about the assumptions we use in recognizing compensation expense, refer to footnote (2) to the Summary Compensation Table in Executive Compensation Tables later in this section.

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Changes in Senior Management During the 2007 Fiscal Year

During the 2007 fiscal year, there were several changes in our executive management team. Among other changes, the following events occurred:

- on February 26, 2007, Mr. Binder was appointed President and Chief Executive Officer;
- on March 30, 2007, Mr. Hann retired as Executive Vice President of Administration; prior to his appointment as Executive Vice President of Administration on February 26, 2007, Mr. Hann had served as Interim President and Chief Executive Officer from March 27, 2006 through February 26, 2007;
- on March 30, 2007, Mr. Hartman retired as Senior Vice President Finance, Chief Financial Officer and Treasurer;
- on April 11, 2007, Mr. Richardson was appointed Vice President Finance and Interim Chief Financial Officer and Treasurer;
- on April 16, 2007, Glen A. Kashuba became Senior Vice President and President of Biomet Trauma & Spine; and
- on May 31, 2007, Mr. England retired as Chief Operating Officer Domestic Operations.

In addition, on June 5, 2007, Daniel P. Florin was appointed Senior Vice President and Chief Financial Officer. Mr. Florin did not hold this position as of May 31, 2007, the last day of the 2007 fiscal year, and as a result is not considered a named executive officer under SEC rules for the 2007 fiscal year.

Also, as of May 31, 2007, Mr. Niemier served as Senior Vice President, Biomet, Inc. and Senior Vice President, Biomet International and Corporate Relations. However, on June 6, 2007, Mr. Niemier retired from these positions effective June 18, 2007.

Executive Compensation Tables

Summary Compensation Table

The following narrative, tables and footnotes describe the total compensation earned during the 2007 fiscal year by our named executive officers. The total compensation presented below does not reflect the actual compensation received by our named executive officers or the target compensation of our named executive officers during the 2007 fiscal year. The actual value realized by our named executive officers during the 2007 fiscal year from long-term incentives (options) is presented in the Option Exercises and Stock Vested Table below.

The individual components of the total compensation calculation reflected in the Summary Compensation Table are broken out below:

Salary. Base salary earned during the 2007 fiscal year. Refer to The Elements of Biomet s Compensation Program Base Salary above for further information concerning this element of our compensation program. The terms of their respective employment agreements govern the base salaries for Messrs. Binder and Richardson.

Bonus. Our named executive officers earned annual incentive bonuses for the 2007 fiscal year. Refer to The Elements of Biomet s Compensation Program Discretionary Annual Cash Bonuses above for further information concerning this element of our compensation program.

Stock Awards. The only equity-based compensation that we provided to our named executive officers for the 2007 fiscal year was in the form of stock option awards. For information about stock options granted to our named executive officers, see Option Awards immediately below.

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Option Awards. The awards disclosed under the heading Option Awards consist of grants of stock options awarded under the 1998 Plan. For further information about our stock option programs, refer to The Elements of Biomet s Compensation Program Stock Options above. In addition, details about option awards made during the 2007 fiscal year are included in the Grant of Plan-Based Awards Table below. The dollar amounts for the awards in the Summary Compensation Table below represent the compensation expense recognized during the 2007 fiscal year under SFAS 123(R) for each named executive officer. The recognized compensation expense of the option awards for financial reporting purposes will likely vary from the actual amount ultimately realized by the named executive officer based on a number of factors. The factors include our actual operating performance, common share price fluctuations, differences from the valuation assumptions used and the timing of exercise or applicable vesting.

Non-Equity Incentive Plan Compensation. For the 2007 fiscal year, we did not have any non-equity incentive compensation plans applicable to our named executive officers.

Change in Pension Value. We do not sponsor or maintain any pension plans applicable to our U.S.-based named executive officers. For Mr. Van Broeck, the change in pension value represents the aggregate change in the actuarial present value of the accumulated benefit under his pension plan sponsored by Biomet Europe from April 30, 2006 to April 30, 2007 (the same measurement dates used for financial statement reporting purposes with respect to our audited financial statements for the 2006 and 2007 fiscal years with respect to our foreign subsidiaries). For information on Mr. Van Broeck s retirement benefits and certain material features of the pension plan in which he participates, refer to The Elements of Biomet s Compensation Program Retirement Plans above and Retirement And Non-Qualified Defined Contribution And Deferred Compensation Plans Pension Plans below.

Of our named executive officers, only Messrs. Hann and England participate in the Deferred Compensation Plan, however, we do not pay above market or preferential earnings on non-qualified deferred compensation. For information on the Deferred Compensation Plan, refer to Compensation Discussion and Analysis Retirement Plans.

All Other Compensation. The amounts included under the All Other Compensation heading represent the sum of: (1) certain perquisites and other personal benefits; (2) Biomet-paid contributions to retirement plans; (3) Biomet-paid insurance premiums; (4) certain tax reimbursements made by us; and (5) certain other amounts more fully described in footnote (3) to the Summary Compensation Table.

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SUMMARY COMPENSATION TABLE

Name and Principal Position(1)	Year	Salary ($)	Bonus ($)	Stock Awards(2) ($)	Option Awards ($)	Non-Equity Incentive Plan Compen-sation ($)	Change in Pension Value and Non-Qualified Deferred Compen-sation Earnings ($)	All Other Compen-sation(3) ($)	Total ($)
Jeffrey R. Binder President and Chief Executive Officer	2007	150,050	162,500					71,858	348,408
Daniel P. Hann Former Executive Vice President of Administration and Former Interim President and Chief Executive Officer	2007	481,401	333,333		432,519			88,351	1,335,604
J. Pat Richardson Corporate Vice President- Finance and Treasurer and Former Interim Chief Financial Officer	2007	25,834	24,722					3,788	54,344
Gregory D. Hartman Former Senior Vice President-Finance, Chief Financial Officer and Treasurer	2007	303,692	156,000		135,535			105,896	701,123
Garry L. England Former Chief Operating Officer-Domestic Operations	2007	361,173	349,000[4]		205,911			1,521,274	2,437,358
Charles E. Niemier Former Senior Vice President and Former Senior Vice President, Biomet International and Corporate Relations	2007	397,583	400,000[4]		160,367			28,442	986,392
Roger Van Broeck Vice President and President, Biomet Europe	2007	386,741	284,235		119,486		77,073(5)	68,311	935,936

(1)

For further information on the principal positions of our named executive officers, refer to Changes in Senior Management During the 2007 Fiscal Year.

(2) For each named executive officer listed in the Summary Compensation Table above, the value reflects the compensation expense recognized by us during the 2007 fiscal year under SFAS 123(R). The amounts for Messrs. Hann and England reflect the acceleration of unvested stock option awards in connection with their retirement. For information on the full grant-date fair value of awards granted solely during the 2007 fiscal year, refer the Grant of Plan-Based Awards Table below and to footnote (1) of the Grant of Plan-Based Awards Table.

We use the Black-Scholes option-pricing model to determine the fair value of options to calculate compensation expense. For information about the assumptions used in determining the compensation expense we recognized during the 2007 fiscal year, refer to Notes B and I to the Consolidated Financial

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Statements included in the Registration Statement to which this Prospectus is a part. For further information about our use and adoption of SFAS 123(R), refer to The Elements of Biomet s Compensation Program Accounting for Stock-Based Compensation above.

(3) The table below presents an itemized account of All Other Compensation provided during the 2007 fiscal year. Consistent with our emphasis on performance-based pay, perquisites and other compensation are limited in scope and primarily comprised of retirement benefit contributions and accruals. For each named executive officer listed below, the sum of each of the columns reflects the total value included under the All Other Compensation heading in the table above.

	Life Insurance Premiums ($)	Physical Exams ($)	Retirement Plan Contribu-tions ($)	Medical Flex ($)	Social Club Dues ($)	Travel Allowance ($)	Personal Use of Company Aircraft ($)(a)	Other ($)	Amounts in Connection with Retirement ($)(b)
Jeffrey R. Binder				146			63,600(c)	8,112(d)	
Daniel P. Hann	60	585	14,850	1,100	4,920	7,200			84,363
J. Pat Richardson				104				3,684(e)	
Gregory D. Hartman	60		14,850	1,350	5,000				59,636
Garry L. England	60	2,318	14,850	1,500	5,844		4,500		1,492,202
Charles E. Niemier	60	2,062	14,850	1,550	4,920	5,000			
Roger Van Broeck			38,811			24,621(f)		4,879(g)	

(a) Our incremental cost for personal use of our aircraft is calculated by multiplying the aircraft s hourly variable operating cost by a trip s flight time, which includes any flight time of an empty return flight. Variable operating costs are based on industry standard rates of our variable operating costs, including fuel and oil costs, maintenance and repairs, landing/ramp fees and other miscellaneous variable costs. On certain occasions, a spouse or other family member may accompany one of our named executive officers on a flight. No additional operating cost is incurred in such situations under the foregoing methodology. We do not pay our named executive officers any amounts in connection with taxes on income imputed to them for personal use of our aircraft.

(b) For Messrs. Hann and Hartman, the amounts under the Amounts in Connection with Retirement heading includes monthly consulting fees ($41,666 and $29,166, respectively) and monthly health insurance premiums under COBRA ($652 each) that Messrs. Hann and Hartman received for the months of April and May 2007 pursuant to retirement and consulting agreements between us and Messrs. Hann and Hartman, respectively, dated March 30, 2007. For Mr. England, the amount reflects benefits that we have accrued in respect of his retirement as of May 31, 2007, consisting of two times base salary and two times target annual cash bonus, each for the 2008 fiscal year and each of $360,000 plus other certain benefits, pursuant to the separation and retirement agreement between us and Mr. England dated May 31, 2007. In the case of Messrs. Hann and England, however, these amounts do not include the SFAS 123(R) compensation expense for stock option awards accelerated under the retirement and consulting agreement between us and Mr. Hann dated March 30, 2007 or the separation and retirement agreement between us and Mr. England dated May 31, 2007, respectively. These amounts are not included in this column or under the All Other Compensation heading to the Summary Compensation Table above because the amounts are already reflected in the amounts representing the SFAS 123(R) compensation expense for stock option awards under the Option Awards heading. Similarly, in the case of Messrs. Hann, Hartman and England, these amounts do not include the annual discretionary cash bonuses paid to these individuals because the amounts are already reflected in the amounts representing bonus payments under the Bonus heading to the Summary Compensation Table above. For further information concerning these agreements, refer to Employment Agreements and Potential Post-Termination Payments Consulting Arrangements with Gregory D. Hartman and Daniel P. Hann and Employment Agreements and Potential Post-Termination Payments-Retirements of Garry L. England and Charles E. Niemier below.

(c) Pursuant to the employment agreement between us and Mr. Binder, dated February 26, 2007, we agreed to arrange, at our expense, for Mr. Binder to fly once per week to and from Mr. Binder s Texas home and our headquarters or such other location reasonably specified by us during the term of the employment

agreement. We will not provide Mr. Binder with a gross up for taxes incurred in connection with these benefits. If, however, Mr. Binder uses a commercial flight and the income imputed in connection with the commercial flight is greater than the amount that would have been imputed to Mr. Binder if he had used our aircraft, we will provide to Mr. Binder gross up for taxes incurred on the incremental income associated with the commercial flight. Our incremental costs associated with extending these benefits to Mr. Binder are capped at $500,000 in any twelve-month period. For the purposes of applying this limitation, our incremental cost for commercial flights shall be the cost of Mr. Binder s tickets and for flights on Biomet-operated aircraft shall be the incremental per-hour cost associated with Mr. Binder s flights and other incremental costs related to such flights, such as landing fees, transportation and housing costs of aircrew and other similar costs. The amount that appears under the Personal Use of Company Aircraft heading reflects the amount of this rolling twelve-month allowance that Mr. Binder has used.

(d) Represents the cost to us of providing temporary housing to Mr. Binder in Warsaw, Indiana.

In addition, pursuant to the employment agreement between us and Mr. Binder dated February 26, 2007, We agreed to purchase Mr. Binder s prior residence in Illinois at its appraised value, to be determined by an independent appraiser, up to $2,199,000. Furthermore, we agreed to reimburse Mr. Binder for certain capital gains taxes, if any, incurred as a result of the sale of Mr. Binder s prior residence. As a result of the independent appraisal, we purchased Mr. Binder s prior residence for significantly less than the maximum amount and Mr. Binder has not recognized any gain on the sale of his prior residence. The amount paid by us to Mr. Binder is not reflected in the amount shown in the table above for Mr. Binder under the All Other Compensation heading. In addition, because Mr. Binder recognized a loss on the sale of his house, we have not paid any gross up amounts to Mr. Binder in connection with the sale of his house. Also, pursuant to the employment agreement between us and Mr. Binder dated February 26, 2007, we agreed to reimburse Mr. Binder up to $1,320,000 if Mr. Binder is required to pay his former employer in connection with the termination of his previous employment. As of May 31, 2007, we had not paid any amounts under this provision of the employment agreement, however, it is expected that we may make payments to Mr. Binder s prior employer under this provision during the 2008 fiscal year.

(e) Represents the cost to us of providing temporary housing to Mr. Richardson in Warsaw, Indiana.

(f) Represents the cost to us of providing a car to Mr. Van Broeck.

(g) Represents the Biomet-paid portion of Mr. Van Broeck s government mandated health and wellness expense.

In addition to the foregoing compensation, named executive officers also participated in health and welfare benefit programs, including vacation and medical, dental, prescription drug and disability coverage. These programs are generally available and comparable to those programs provided to all U.S. salaried employees.

(4) For Messrs. England and Niemier, represents an annual cash bonus for the 2007 fiscal year equal to 100% of their target bonus for the 2007 fiscal year pursuant to the terms of the change-in-control agreements between us and Messrs. England and Niemier, respectively. The amount was contingent upon the consummation of the Transactions.

(5) For the purposes of the Summary Compensation Table above, to calculate Mr. Van Broeck s annual base salary and change in pension value in U.S. dollars, we used a currency conversion rate of 1 Euro to $1.3447, which represents the currency exchange rate from Euros to U.S. dollars on June 1, 2007 as published in The Wall Street Journal.

Grant of Plan-Based Awards Table

As discussed in further detail in Compensation Discussion and Analysis Introduction above, in connection with the Transactions all stock options outstanding under the 1998 Plan and the 2006 Plan (whether held by officers, directors, employees or distributors) were cancelled and the holders thereof became entitled to receive from us an amount equal to the excess, if any, of the $46.00 offer price over the option exercise price for each share subject to the stock option, in each case, less any applicable withholding taxes and without interest and regardless of

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whether or not the awards were then vested or exercisable. Following consummation of the Transactions, the 2007 LVB Plan was established. For a further discussion of the 2007 LVB Plan, see Developments in Biomet s Compensation Philosophy After the Transactions The LVB Acquisition, Inc. Management Equity Incentive Plan below.

During the 2007 fiscal year, we granted stock options to our named executive officers under the 1998 Plan. Information with respect to each of these awards on a grant-by-grant basis is set forth in the table below. Fair market value under the 1998 Plan is defined as the closing price of the common shares as reported by The NASDAQ Stock Market or by any national securities exchange on which common shares may be traded. For additional discussion of our 1998 Plan and 2006 Plan and certain material terms of our stock option awards under these plans, refer to The Elements of Biomet s Compensation Program Stock Options. All stock option awards to our named executive officers during the 2007 fiscal year were made such that the exercise price of the awards is equal to the closing price of our common shares on the date of grant.

GRANT OF PLAN-BASED AWARDS

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise of Base Price of Option Awards ($/Sh)	Grant-Date Fair Value of Stock and Option Awards (1)($)
Jeffrey R. Binder(2)				
Daniel P. Hann				
J. Pat Richardson(3)				
Gregory D. Hartman(4)	October 9, 2006	25,000	33.19	288,250
Garry L. England(5)	October 9, 2006	25,000	33.19	288,250
Charles E. Niemier(5)	October 9, 2006	50,000	33.19	576,500
Roger Van Broeck	October 9, 2006	25,000	33.19	288,250

(1) For each named executive officer listed in the Grant of Plan-Based Awards Table above, the value reflects the full grant-date fair value calculated under SFAS 123(R) solely for awards granted during the 2007 fiscal year. The fair value of the stock option awards for financial reporting purposes likely will vary from the actual amount ultimately realized by the named executive officer based on a number of factors. These factors include our actual operating performance, common share price fluctuations, differences from the valuation assumptions used and the timing of exercise or applicable vesting.

(2) Pursuant to an employment agreement dated February 26, 2007 between us and Mr. Binder, Mr. Binder was entitled, should the Merger Agreement have been terminated, to be granted an equity award after such termination and annually thereafter (if still employed) commencing after May 31, 2008. For further information about this equity award and Mr. Binder s employment agreement, refer to Employment Agreements and Potential Post-Termination Payments Employment Agreement with Jeffrey R. Binder below. As a result of the Transactions being consummated, Mr. Binder did not receive this benefit; although Mr. Binder did receive certain equity awards following the consummation of the Transactions more fully described in Developments in Biomet s Compensation Philosophy After the Transaction below.

(3) Pursuant to an employment agreement dated February 26, 2007 between us and Mr. Richardson, Mr. Richardson was entitled, should the Merger Agreement have been terminated, to be granted an equity award after such termination and annually thereafter (if still employed) commencing after May 31, 2008. For further information about this equity award and the offer letter provided to Mr. Richardson, refer to Employment Agreements and Potential Post-Termination Payments Offer Letter to J. Pat Richardson below. As a result of the Transactions being consummated, Mr. Richardson did not receive this benefit; although Mr. Richardson did receive certain equity awards following the consummation of the Transactions more fully described in Developments in Biomet s Compensation Philosophy After the Transaction below.

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(4) For further information on stock options granted to Mr. Hartman during the 2007 fiscal year, see footnote (7) to the Outstanding Equity Awards at Fiscal Year-End table immediately below.
(5) For further information on stock options granted to Messrs. England and Niemier during the 2007 fiscal year, see footnote (10) to the Outstanding Equity Awards at Fiscal Year-End table immediately below.

Outstanding Equity Awards at Fiscal Year-End Table

As discussed in further detail in Introduction above, in connection with the Transactions all stock options outstanding under the 1998 Plan and the 2006 Plan (whether held by officers, directors, employees or distributors) were cancelled and the holders thereof became entitled to receive from us an amount equal to the excess, if any, of the $46.00 offer price over the option exercise price for each share subject to the stock option, in each case, less any applicable withholding taxes and without interest and regardless of whether or not the awards were then vested or exercisable. Following consummation of the Transactions, the 2007 LVB Plan was established. For a further discussion of the 2007 LVB Plan, see Developments in Biomet s Compensation Philosophy After the Transactions The LVB Acquisition, Inc. Management Equity Incentive Plan below.

We have historically awarded stock options to members of our senior management and our other team members throughout Biomet. The terms of these awards have historically typically provided for vesting over a defined period of time. Awards listed in the table below, other than the conditional performance stock option awards, generally have an eight-part vesting schedule in which the first of the eight installments vests on the one-year anniversary of the grant date. Each subsequent one-eighth installment thereafter vests on the anniversary of the grant date for the next seven years. For information on the vesting schedule of the unvested portions of outstanding equity awards listed below, refer to footnote (2) to the table below. Each installment, however, has a two year lifespan with respect to exercise and therefore each installment will expire if not exercised two years from the date that the particular installment vests.

For further information on our stock option awards and their material terms, refer to The Elements of Biomet s Compensation Program Stock Options. For information about stock option awards granted solely during the 2007 fiscal year, refer to Grant of Plan-Based Awards Table.

In addition, during our 2005 and 2006 fiscal years, the Compensation and Stock Option Committee granted conditional performance stock options to certain of our executive officers, with the exception of the then Chairman of the Board who historically never received stock option awards. The actual number of common shares available for exercise by each executive officer with respect to these conditional performance stock option awards was determined by a calculation based on the performance of our common shares in comparison to the performance of our informal peer group over a three-year time period. As a result, at the time of grant the actual number of common shares ultimately provided by the award could vary from zero common shares to 150% of the number of target common shares stated in the conditional performance stock option award. We did not grant any conditional performance stock option awards during the 2007 fiscal year. In addition, of our named executive officers, only Messrs. England, Niemier and Van Broeck had outstanding conditional performance stock option awards as of May 31, 2007. For the amounts of these conditional performance stock option awards that remain outstanding, refer to Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options heading in the table below. For a detailed discussion of these conditional performance stock option awards and their material terms, refer to The Elements of Biomet s Compensation Program Stock Options.

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The following table shows the equity awards granted to our named executive officers, which are comprised of a mix of the conditional performance stock option awards and the time-based vesting stock option awards (vested and unvested), that were outstanding as of the end of the 2007 fiscal year. In connection with the closing of the Offer, all outstanding options, each an option, to purchase shares under our stock plans, vested or unvested, were cancelled and each option holder was paid an amount in cash equal to the excess, if any, of the offer price over the applicable option exercise price for each share subject to an option, less any required withholding taxes.

OUTSTANDING EQUITY AWARDS AT FISCAL YEAR-END

Name	Number of Securities Underlying Unexercised Options (#) Exercisable(1)	Number of Securities Underlying Unexercised Options (#) Unexercisable(2)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)(3)	Option Exercise Price ($)(4)	Option Expiration Date(5)
Jeffrey R. Binder(6)					
Daniel P. Hann(7)	4,000			24.0000	7/17/2007
	1,875			20.8333	1/16/2009
	3,750			29.0933	7/05/2008
	2,500				