

Biomet, Inc.

Product Net Sales

Three Month Period Ended November 30, 2008

(In millions, unaudited)

	Q2 2009	Q2 2008	Reported Growth %	Constant Currency Growth %
Reconstructive	\$ 483.3	\$ 454.1	6.4 %	10.2 %
Fixation	58.0	56.8	2.2 %	4.0 %
Spine	55.3	51.1	8.2 %	8.8 %
Other	46.2	45.2	1.9 %	5.6 %
Total	\$ 642.8	\$ 607.2	5.8 %	9.1 %

	Sales Growth As Reported	FX Impact	Sales Growth in Local Currencies
Reconstructive	6.4 %	(3.8) %	10.2 %
Fixation	2.2 %	(1.8) %	4.0 %
Spine	8.2 %	(0.6) %	8.8 %
Other	1.9 %	(3.7) %	5.6 %
Total sales	5.8 %	(3.3) %	9.1 %

* See Non-GAAP Financial Measures Disclosure Below

Biomet, Inc.

Product Net Sales

Six Month Period Ended November 30, 2008

(In millions, unaudited)

	1H 2009	(Combined)* 1H 2008	Reported Growth %	Constant Currency Growth %
Reconstructive	\$ 932.6	\$ 840.6	10.9 %	11.0 %
Fixation	118.3	115.3	2.6 %	2.6 %
Spine	106.5	104.6	1.9 %	1.4 %
Other	92.4	84.1	9.9 %	10.0 %
Total	\$ 1,249.8	\$ 1,144.6	9.2 %	9.2 %

	Sales Growth As Reported	FX Impact	Sales Growth in Local Currencies
Reconstructive	10.9 %	(0.1) %	11.0 %
Fixation	2.6 %	- %	2.6 %
Spine	1.9 %	0.5 %	1.4 %
Other	9.9 %	(0.1) %	10.0 %
Total sales	9.2 %	- %	9.2 %

* See Non-GAAP Financial Measures Disclosure Below

***Non-GAAP Financial Measures:**

Management uses non-GAAP financial measures, such as net sales, excluding the impact of foreign currency (constant currency), operating income as adjusted, net income as adjusted, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) and Adjusted EBITDA (as defined by our bank agreement, the method to calculate this is likely to be different from methods used by other companies). In addition, information for the period from June 1 to July 11, 2007 ("Predecessor" and the date which the merger of Biomet with a company owned by a consortium of private equity funds occurred, with Biomet as the surviving entity) and from July 12, 2007 and thereafter (Successor) periods have been combined and are referred to as "Combined" in the press release and attached statements. The combined presentation does not comply with U.S. GAAP, but is presented because we believe it provides the most meaningful comparison of our results. The results of the Successor are not comparable to the results of the Predecessor due to the difference in basis of presentation of purchase accounting as compared to historical cost. The term "as adjusted", a non-GAAP financial measure, refers to financial performance measures that exclude certain income statement line items, such as interest, taxes, depreciation or amortization and/or exclude certain expenses as defined by our bank agreement, such as restructuring charges, integration and facilities opening costs or other business optimization expenses, new systems design and implementation costs, certain start-up costs and costs related to consolidation of facilities, certain non-cash charges, advisory fees paid to the private equity owners, certain severance charges, purchase accounting costs, costs associated with stock option accounting issues, payments to distributors that are not in the ordinary course of business, litigation costs, and other related charges. The Company's management believes that the presentation of these measures provides useful information to investors. These measures may assist investors in evaluating the Company's operations, period over period. Management uses these measures internally for evaluation of the performance of the business, including the allocation of resources and the evaluation of results relative to team member performance compensation targets, including equity incentives. Investors should consider these non-GAAP measures only as a supplement to, not as a substitute for or as superior to, measures of financial performance prepared in accordance with GAAP in the United States.

Biomet, Inc.

Geographic Segment Net Sales Percentage Summary
Three Month Period Ended November 30, 2008
(In millions, unaudited)

Geographic Segments:	Q2 2009	Q2 2008	Reported Growth %	Constant Currency Growth %
United States	\$ 379.5	\$ 347.0	9.4 %	9.4 %
Europe	195.4	196.5	(0.1) %	7.7 %
International	67.9	63.7	6.6 %	12.7 %
Total	<u>\$ 642.8</u>	<u>\$ 607.2</u>	<u>5.9 %</u>	<u>9.2 %</u>

	Sales Growth As Reported	FX Impact	Sales Growth in Local Currencies
United States	9.4 %	- %	9.4 %
Europe	(0.1) %	(7.8) %	7.7 %
International	6.6 %	(6.1) %	12.7 %
Total sales	<u>5.9 %</u>	<u>(3.3) %</u>	<u>9.2 %</u>

* See Non-GAAP Financial Measures Disclosure above

Biomet, Inc.

Geographic Segment Net Sales Percentage Summary
Six Month Period Ended November 30, 2008
(In millions, unaudited)

Geographic Segments:	1H 2009	(Combined)* 1H 2008	Reported Growth %	Constant Currency Growth %
United States	\$ 747.9	\$ 683.9	9.4 %	9.4 %
Europe	364.8	339.1	7.6 %	7.6 %
International	137.1	121.6	12.7 %	12.8 %
Total	<u>\$ 1,249.8</u>	<u>\$ 1,144.6</u>	<u>9.2 %</u>	<u>9.2 %</u>

	Sales Growth As Reported	FX Impact	Sales Growth in Local Currencies
United States	9.4 %	- %	9.4 %
Europe	7.6 %	- %	7.6 %
International	12.7 %	(0.1) %	12.8 %
Total sales	<u>9.2 %</u>	<u>- %</u>	<u>9.2 %</u>

* See Non-GAAP Financial Measures Disclosure above

Biomet, Inc.As Reported Consolidated Statements of Operations
(In millions, unaudited)

	<u>Three Months Ended November 30, 2008</u>	<u>Three Months Ended November 30, 2007</u>
Net sales	\$ 642.8	\$ 607.2
Cost of sales	<u>194.9</u>	<u>244.6</u>
Gross profit	447.9	362.6
<i>Gross profit percentage</i>	69.7%	59.7%
Selling, general and administrative	254.7	413.2
Research and development	23.4	21.9
In-process research and development	-	86.2
Amortization	<u>89.8</u>	<u>92.3</u>
Operating income (loss)	80.0	(251.0)
<i>Percentage of Sales</i>	12.4%	-41.3%
Other income (expense), net	(11.6)	(4.9)
Interest expense, net	<u>(139.2)</u>	<u>(148.7)</u>
Income (loss) before income taxes	(70.8)	(404.6)
Income taxes	<u>(31.1)</u>	<u>(102.6)</u>
<i>Tax rate</i>	43.9%	25.4%
Net income (loss)	<u>\$ (39.7)</u>	<u>\$ (302.0)</u>
<i>Percentage of Sales</i>	-6.2%	-49.7%

Biomet, Inc.

As Reported Consolidated Statements of Operations

(In millions, unaudited)

	Six Months Ended November 30, 2008	(Successor) Period from July 12, 2007 to November 30, 2007	(Predecessor) Period from June 1, 2007 to July 11, 2007
Net sales	\$ 1,249.8	\$ 895.8	\$ 248.8
Cost of sales	<u>376.4</u>	<u>351.4</u>	<u>102.3</u>
Gross profit	873.4	544.4	146.5
<i>Gross profit percentage</i>	69.9%	60.8%	58.9%
Selling, general and administrative	508.2	600.5	194.2
Research and development	46.9	35.5	34.0
In-process research and development	-	479.0	-
Amortization	<u>181.3</u>	<u>137.5</u>	<u>0.5</u>
Operating income (loss)	137.0	(708.1)	(82.2)
<i>Percentage of Sales</i>	11.0%	-79.0%	-33.0%
Other income (expense), net	(20.6)	0.5	0.6
Interest expense, net	<u>(280.3)</u>	<u>(229.1)</u>	<u>(0.3)</u>
Income (loss) before income taxes	(163.9)	(936.7)	(81.9)
Income taxes	<u>(64.3)</u>	<u>(152.5)</u>	<u>(27.3)</u>
<i>Tax rate</i>	39.3%	16.3%	33.3%
Net income (loss)	<u>\$ (99.6)</u>	<u>\$ (784.2)</u>	<u>\$ (54.6)</u>
<i>Percentage of Sales</i>	-8.0%	-87.5%	-21.9%

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BIOMET, INC.

Other Financial Information

Operating Income to Adjusted Operating Income - November 30, 2008

(in millions, unaudited)

	Three Months Ended November 30, 2008	Three Months Ended November 30, 2007
Operating income, as reported	\$ 80.0	\$ (251.0)
Purchase accounting depreciation	4.5	3.9
Purchase accounting amortization	89.8	92.3
Additional cost of sales for inventory write up to fair value	-	63.4
In-process research and development	-	86.2
Share-based payment	11.6	-
Distributor agreements	-	3.3
Department of Justice	4.9	-
Litigation settlements and reserves	9.0	-
Operational improvement initiatives	4.5	6.4
Operational restructuring	3.6	-
Sponsor fee	2.6	3.9
Additional legal/accounting costs related to the merger	-	171.6
Other	0.9	-
Operating income, as adjusted	<u>\$ 211.4</u>	<u>\$ 180.0</u>

* See Non-GAAP Financial Measures Disclosure above

BIOMET, INC.

Other Financial Information

Operating Income to Adjusted Operating Income - November 30, 2008

(in millions, unaudited)

	Six Months Ended November 30, 2008	(Combined)* Six Months Ended November 30, 2007
Operating income, as reported	\$ 137.0	\$ (790.3)
Purchase accounting depreciation	9.0	5.6
Purchase accounting amortization	181.3	137.5
Additional cost of sales for inventory write up to fair value	-	92.3
In-process research and development	-	479.0
Share-based payment	18.8	-
In-the-money stock option settlement	-	112.8
Distributor agreements	2.0	41.9
Department of Justice	6.0	26.9
Litigation settlements and reserves	9.0	-
Operational improvement initiatives	9.2	10.8
Operational restructuring	4.8	-
Sponsor fee	4.5	3.9
Investment banker fee	-	29.6
Additional legal/accounting costs related to the merger	-	183.4
Other	1.4	-
Operating income, as adjusted	<u>\$ 383.0</u>	<u>\$ 333.4</u>

* See Non-GAAP Financial Measures Disclosure above

BIOMET, INC.
Other Financial Information
EBITDA and adjusted EBITDA - November 30, 2008
(in millions, unaudited)

	Three Months Ended November 30, 2008	Three Months Ended November 30, 2007
Operating income, as reported	\$ 80.0	\$ (251.0)
Historical depreciation	35.7	30.8
Purchase accounting depreciation	4.5	3.9
Historical amortization	-	-
Purchase accounting amortization	<u>89.8</u>	<u>92.3</u>
EBITDA, as reported	\$ 210.0	\$ (124.0)
Special items and purchase accounting adjustments:		
Additional cost of sales for inventory write up to fair value	-	63.4
In-process research and development	-	86.2
Share-based payment	11.6	-
Distributor agreements	-	3.3
Department of Justice	4.9	-
Litigation settlements and reserves	9.0	-
Operational improvement initiatives	4.5	6.4
Operational restructuring	3.6	-
Sponsor fee	2.6	3.9
Additional legal/accounting costs related to the merger	-	171.6
Other	0.9	-
EBITDA, as adjusted	<u>\$ 247.1</u>	<u>\$ 210.8</u>

* See Non-GAAP Financial Measures Disclosure above

BIOMET, INC.
Other Financial Information
EBITDA and adjusted EBITDA - November 30, 2008
(in millions, unaudited)

	Six Months Ended November 30, 2008	(Combined)* Six Months Ended November 30, 2007
Operating income, as reported	\$ 137.0	\$ (790.3)
Historical depreciation	71.1	57.6
Purchase accounting depreciation	9.0	5.6
Historical amortization	-	0.5
Purchase accounting amortization	<u>181.3</u>	<u>137.5</u>
EBITDA, as reported	\$ 398.4	\$ (589.1)
Special items and purchase accounting adjustments:		
Additional cost of sales for inventory write up to fair value	-	92.3
In-process research and development	-	479.0
Share-based payment	18.8	-
In-the-money stock option settlement	-	112.8
Distributor agreements	2.0	41.9
Department of Justice	6.0	26.9
Litigation settlements and reserves	9.0	-
Operational improvement initiatives	9.2	10.8
Operational restructuring	4.8	-
Sponsor fee	4.5	3.9
Investment banker fee	-	29.6
Additional legal/accounting costs related to the merger	-	183.4
Other	1.4	-
EBITDA, as adjusted	<u>\$ 454.1</u>	<u>\$ 391.5</u>

* See Non-GAAP Financial Measures Disclosure above

BIOMET, INC.

Other Financial Information

Net Income (Loss) to EBITDA, as reported - November 30, 2008
(in millions, unaudited)

	Three Months Ended November 30, 2008	Three Months Ended November 30, 2007
Net income (loss), as reported	\$ (39.7)	\$ (302.0)
Depreciation	40.2	34.7
Amortization	89.8	92.3
Interest expense, net	139.2	148.7
Other (income) expense, net	11.6	4.9
Income taxes	(31.1)	(102.6)
EBITDA, as reported	<u>\$ 210.0</u>	<u>\$ (124.0)</u>

* See Non-GAAP Financial Measures Disclosure above

BIOMET, INC.

Other Financial Information

Net Income (Loss) to EBITDA, as reported - November 30, 2008
(in millions, unaudited)

	Six Months Ended November 30, 2008	(Combined)* Six Months Ended November 30, 2007
Net income (loss), as reported	\$ (99.6)	\$ (838.8)
Depreciation	80.1	63.2
Amortization	181.3	138.0
Interest expense, net	280.3	229.4
Other (income) expense, net	20.6	(1.1)
Income taxes	(64.3)	(179.8)
EBITDA, as reported	<u>\$ 398.4</u>	<u>\$ (589.1)</u>

* See Non-GAAP Financial Measures Disclosure above

BIOMET, INC.
Reconciliation of GAAP Consolidated Net Income (Loss) to
Non-GAAP Adjusted Consolidated Net Income - November 30, 2008
(In millions, unaudited)

	Three Months Ended November 30, 2008	Three Months Ended November 30, 2007
Net income (loss), as reported	\$ (39.7)	\$ (302.0)
Purchase accounting depreciation	4.5	3.9
Purchase accounting amortization	89.8	92.3
Additional cost of sales for inventory write up to fair value	-	63.4
In-process research and development	-	86.2
Share-based payment	11.6	-
Distributor agreements	-	3.3
Department of Justice	4.9	-
Litigation settlements and reserves	9.0	-
Operational improvement initiatives	4.5	6.4
Operational restructuring	3.6	-
Sponsor fee	2.6	3.9
Additional legal/accounting costs related to the merger	-	171.6
Other	0.9	-
Tax effect on special and purchase accounting items	(57.7)	(113.1)
Net income, as adjusted (Non-GAAP)	<u>\$ 34.0</u>	<u>\$ 15.9</u>

* See Non-GAAP Financial Measures Disclosure above

BIOMET, INC.
Reconciliation of GAAP Consolidated Net Income (Loss) to
Non-GAAP Adjusted Consolidated Net Income - November 30, 2008
(In millions, unaudited)

	Six Months Ended November 30, 2008	(Combined)* Six Months Ended November 30, 2007
Net income (loss), as reported	\$ (99.6)	\$ (838.8)
Purchase accounting depreciation	9.0	5.6
Purchase accounting amortization	181.3	137.5
Additional cost of sales for inventory write up to fair value	-	92.3
In-process research and development	-	479.0
Share-based payment	18.8	-
In-the-money stock option settlement	-	112.8
Distributor agreements	2.0	41.9
Department of Justice	6.0	26.9
Litigation settlements and reserves	9.0	-
Operational improvement initiatives	9.2	10.8
Operational restructuring	4.8	-
Sponsor fee	4.5	3.9
Investment banker fee	-	29.6
Additional legal/accounting costs related to the merger	-	183.4
Other	1.4	-
Tax effect on special and purchase accounting items	(96.4)	(221.5)
Net income, as adjusted (Non-GAAP)	<u>\$ 50.0</u>	<u>\$ 63.4</u>

* See Non-GAAP Financial Measures Disclosure above

Biomet, Inc.
Balance Sheet
(In millions)

(Unaudited)
November 30, 3008 May 31, 2008

Assets

Cash and cash equivalents	\$ 229.3	\$ 127.6
Accounts receivable, net	483.5	486.2
Income tax receivable	48.8	48.8
Inventories	510.3	539.7
Current deferred income taxes	97.1	100.7
Prepays and other current assets	45.5	46.7
Property, plant and equipment, net	611.9	640.9
Investments	33.8	41.3
Intangible assets, net	5,736.3	6,208.2
Goodwill	5,103.4	5,422.8
Other assets	111.4	118.9
Total Assets	<u>\$ 13,011.3</u>	<u>\$ 13,781.8</u>

Liabilities and Stockholders' Equity

Current liabilities **	\$ 313.4	\$ 408.2
Accrued Interest	79.7	80.9
Short-term borrowings	72.5	75.4
Long-term debt	6,124.4	6,225.4
Deferred income taxes	1,902.7	2,112.5
Other Long-term liabilities **	196.7	43.1
Stockholders' equity	4,321.9	4,836.3
Total Liabilities and Stockholders' Equity	<u>\$ 13,011.3</u>	<u>\$ 13,781.8</u>

Net Debt (a) *	\$ 5,967.6	\$ 6,173.2
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(a) Net debt is the sum of cash and cash equivalents less total debt.

* See Non-GAAP Financial Measures Disclosure above

** \$167.6 million was reclassified from current to long term liabilities subsequent to the press release but before filing our 10-Q.

Biomet, Inc.

Consolidated Statements of Cash Flows

(In millions, unaudited)

	Six Months Ended November 30, 2008	(Successor) Period from July 12, 2007 to November 30, 2007	(Predecessor) Period from June 1, 2007 to July 11, 2007
Cash flows provided by (used in) operating activities:			
Net loss	\$ (99.6)	\$ (784.2)	\$ (54.6)
Adjustments to reconcile net loss to net cash from operating activities:			
Depreciation and amortization	261.4	195.2	9.3
Amortization of deferred financing costs	5.7	4.7	-
In-process research and development charge	-	479.0	-
Stock based compensation expense	18.8	-	-
Inventory step-up related to merger	-	92.3	-
Allowance for accounts receivable	(3.5)	-	-
Loss (gain) and impairment on investments	6.5	-	(7.0)
Provision for inventory obsolescence	0.4	-	-
Deferred income taxes	(69.7)	(248.3)	76.7
Excess tax benefit from exercise of stock options	-	-	(3.9)
Other	(0.1)	(0.3)	-
Changes in operating assets and liabilities, net of effects from acquisitions:			
Accounts receivable	(40.5)	(29.7)	5.8
Inventories	(25.5)	20.5	(12.0)
Prepaid expenses	(2.6)	35.8	-
Accounts payable	(6.7)	(9.9)	(1.6)
Accrued (refundable) income taxes	(5.7)	27.9	-
Accrued interest	(0.8)	106.3	-
Share-based compensation accrual related to merger	-	-	112.8
Other	9.5	110.1	(66.1)
Net cash provided by (used in) operating activities	47.6	(0.6)	59.4
Cash flows provided by (used in) investing activities:			
Net proceeds from investments	-	95.8	42.8
Capital expenditures	(92.9)	(76.7)	(22.0)
Acquisitions, net of cash acquired	(2.2)	(0.4)	(9.8)
Acquisition of Biomet, Inc.	-	(11,638.2)	-
Net cash provided by (used in) investing activities	(95.1)	(11,619.5)	11.0
Cash flows provided by financing activities:			
Debt:			
Proceeds (payments) under amended revolving credit agreement	8.5	(40.4)	0.2
Proceeds (payments) under senior secured credit facility	(18.2)	-	-
Proceeds (payments) under asset based revolver	165.4	-	-
Proceeds from long-term debt related to merger	-	6,250.7	-
Payment of deferred financing costs	-	(87.1)	-
Equity:			
Capital contributions	1.9	5,401.9	-
Repurchase of common shares	(0.6)	-	(2.8)
Excess tax benefit from exercise of stock options	-	-	3.9
Net cash provided by financing activities	157.0	11,525.1	1.3
Effect of exchange rate changes on cash	(7.8)	2.0	0.1
Increase (decrease) in cash and cash equivalents	101.7	(93.0)	71.8
Cash and cash equivalents, beginning of period	127.6	176.9	105.1
Cash and cash equivalents, end of period	\$ 229.3	\$ 83.9	\$ 176.9
Supplemental disclosures of cash flow information:			
Cash paid during the period for:			
Interest	\$ 277.1	\$ 1.5	\$ -
Income taxes	\$ 14.8	\$ 21.0	\$ -

BIOMET, INC.

Other Financial Information

GAAP Operating Cash Flow to Unlevered Adjusted Free Cash Flow - November 30, 2008
(in millions, unaudited)

	<u>Six Months Ended</u> <u>November 30, 3008</u>
Operating Cash Flow, as reported	\$ 47.6
Add backs:	
Other income and expense	20.6
Interest expense	280.3
Change in accrued interest	0.8
Change in other non-cash items	41.8
Special items:	
Share-based payment	18.8
Distributor agreements	2.0
Department of Justice	6.0
Litigation settlements and reserves	9.0
Operational improvement initiatives	9.2
Operational restructuring	4.8
Sponsor fee	4.5
Other	1.4
Deductions:	
Change in accrued (refundable) income taxes	(5.7)
Income tax benefit	(64.3)
Capital expenditures	(92.9)
Adjusted Free Cash Flow	<u>\$ 283.9</u>
Special charges	(26.9)
Cash paid for taxes	(14.8)
Earn-out payments to Europe distributors	(2.2)
Effect of exchange	(18.2)
Other	1.3
Unlevered Adjusted Free Cash Flow	<u>\$ 223.1</u>

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