

BIOMET ANNOUNCES THIRD QUARTER OF FISCAL 2014 FINANCIAL RESULTS

WARSAW, Ind., April 3, 2014 – Biomet, Inc. announced today financial results for its third quarter ended February 28, 2014.

Third Quarter Financial Results

- **Consolidated net sales increased 6.6% (7.5% constant currency) worldwide to approximately \$823 million**
- **Knee sales grew 8.4% (9.4% constant currency) worldwide, with U.S. growth of 7.7%**
- **S.E.T. sales increased 4.7% (5.8% constant currency) worldwide and grew 10.0% in the U.S.**

Consolidated net sales increased 6.6% to \$822.5 million worldwide during the third quarter of fiscal year 2014, compared to net sales of \$771.5 million during the third quarter of fiscal year 2013. Excluding the effect of foreign currency, consolidated net sales increased 7.5% during the third quarter. U.S. net sales increased 7.6% during the third quarter to \$508.9 million, while Europe net sales increased 8.1% (5.7% constant currency) to \$199.8 million and International (primarily Canada, Latin America and the Asia Pacific region) net sales decreased 0.1% (increased 9.9% constant currency) to \$113.8 million.

Consolidated net sales reflect the combined net benefit of approximately 1.2% from additional revenue related to the acquisition of Lanx, Inc., lower revenue as a result of the bracing divestiture and certain decreased royalties. We had an additional selling day in most of our businesses in the third quarter of fiscal year 2014, compared to the prior year quarter.

Special items, after tax, totaled \$173.2 million during the third quarter of fiscal year 2014, compared to \$399.4 million during the third quarter of fiscal year 2013.

Reported operating income was \$0.2 million during the third quarter of fiscal year 2014, compared to operating loss of \$237.4 million during the third quarter of fiscal year 2013. Excluding special items, adjusted operating income totaled \$218.3 million during the third quarter of fiscal year 2014, compared to \$216.3 million during the prior year period.

Reported net loss in the quarter was \$65.9 million, compared to a net loss of \$304.5 million during the third quarter of the prior year. Excluding special items, adjusted net income totaled \$107.3 million during the third quarter of fiscal year 2014, compared to \$94.9 million for the third quarter of fiscal year 2013.

Excluding special items, adjusted earnings before interest, taxes, depreciation and amortization ("EBITDA") during the third quarter of fiscal year 2014 totaled \$271.5 million compared to \$264.2 million for the third quarter of fiscal year 2013.

Reported cash flow from operations totaled \$154.7 million during the third quarter of fiscal year 2014, compared to reported cash flow from operations of \$145.2 million for the third quarter of fiscal year 2013. Free cash flow (operating cash flow minus capital expenditures) was \$94.4 million, which included \$100.4 million of cash interest paid in the quarter, compared to a free cash flow of \$102.4 million during the third quarter of fiscal year 2013, including \$97.5 million of cash interest paid. Unlevered free cash flow (free cash flow plus cash paid for interest) was \$194.8 million during the third quarter of fiscal year 2014, compared to \$199.9 million for the third quarter of fiscal year 2013.

At February 28, 2014, reported gross debt was \$5,831.7 million, and cash and cash equivalents, as defined in the Company's Amended and Restated Credit Agreement dated August 2, 2012, totaled \$212.4 million, resulting in net debt of \$5,619.3 million, compared to \$5,610.8 million at May 31, 2013.

Biomet's President and Chief Executive Officer Jeffrey R. Binder commented, "During our fiscal third quarter, we once again delivered balanced constant currency sales growth across our major geographies and our major product categories."

About Biomet

Biomet, Inc. and its subsidiaries design, manufacture and market surgical and non-surgical products used primarily by orthopedic surgeons and other musculoskeletal medical specialists. Biomet's product portfolio includes hip and knee reconstructive products; sports medicine, extremities and trauma products; spine, bone healing and microfixation products; dental reconstructive products; and cement, biologics and other products. Headquartered in Warsaw, Indiana, Biomet and its subsidiaries currently distribute products in approximately 90 countries.

Contacts

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Financial Schedule Presentation

The Company's unaudited condensed consolidated financial statements as of and for the three and nine months ended February 28, 2014 and 2013 and other financial data included in this press release have been prepared in a manner that complies, in all material respects, with generally accepted accounting principles in the United States (except with respect to certain non-GAAP financial measures discussed below), and reflects purchase accounting adjustments related to the Merger referenced below and acquisitions.

Forward-Looking Statements

This press release contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, as amended. Those statements are often indicated by the use of words such as "will," "intend," "anticipate," "estimate," "expect," "plan" and similar expressions. Forward-looking statements involve certain risks and uncertainties. Actual results may differ materially from those contemplated by the forward looking statements due to, among others, the following factors: the success of the Company's principal product lines; the results of the ongoing investigation by the United States Department of Justice; the ability to successfully implement new technologies; the Company's ability to sustain sales and earnings growth; the Company's success in achieving timely approval or clearance of its products with domestic and foreign regulatory entities; the impact to the business as a result of compliance with federal, state and foreign governmental regulations and with the Deferred Prosecution Agreement; the impact to the business as a result of the economic downturn in both foreign and domestic markets; the impact of federal health care reform; the impact of anticipated changes in the musculoskeletal industry and the ability of the Company to react to and capitalize on those changes; the ability of the Company to successfully implement its desired organizational changes and cost-saving initiatives; the ability of the Company to successfully integrate acquisitions; the impact to the business as a result of the Company's significant international operations, including, among others, with respect to foreign currency fluctuations and the success of the Company's transition of certain manufacturing operations to China; the impact of the Company's managerial changes; the ability of the Company's customers to receive adequate levels of reimbursement from third-party payors; the Company's ability to maintain its existing intellectual property rights and obtain future intellectual property rights; the impact to the business as a result of cost containment efforts of group purchasing organizations; the Company's ability to retain existing independent sales agents for its products; the impact of product liability litigation losses; and other factors set forth in the Company's filings with the SEC, including the Company's most recent annual report on Form 10-K and quarterly reports on Form 10-Q. Although the Company believes 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 non-occurrence of future events. There can be no assurance as to the accuracy of forward-looking statements contained in this press release. The inclusion of a forward-looking statement herein should not be regarded as a representation by the Company that the Company's objectives will be achieved. The Company undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise. Accordingly, the reader is cautioned not to place undue reliance on forward-looking statements which speak only as of the date on which they were made.

***Non-GAAP Financial Measures:**

Management uses non-GAAP financial measures, such as net sales excluding foreign currency (constant currency), operating income as adjusted, Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA) as adjusted, net income as adjusted, gross profit as adjusted, selling, general and administrative expense as adjusted, research and development expense as adjusted, interest expense as adjusted, provision (benefit) for income taxes as adjusted, cash and cash equivalents (as defined by our credit agreement), net debt, free cash flow and unlevered free cash flow. Reconciliations of these non-GAAP financial measures to the most directly comparable GAAP measures are included elsewhere in the press release.

The term “adjusted” or “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, such as restructuring charges, non-cash impairment 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, loss on extinguishment of debt, certain non-cash charges, advisory fees paid to the Company’s private equity owners, certain severance charges, acquisition cost, purchase accounting costs, certain litigation costs, including metal-on-metal, loss on swap liability and other related charges.

These non-GAAP financial measures are not in accordance with, or an alternative for, GAAP in the United States. Biomet management believes that these non-GAAP financial measures provide useful information to investors; however, this additional non-GAAP financial information is not meant to be considered in isolation or as a substitute for financial information prepared in accordance with GAAP.

Non-GAAP Reconciliation

A reconciliation of reported results to adjusted results is included in this press release, which is also posted on Biomet’s website: www.biomet.com

Reclassifications

Certain prior period amounts have been reclassified to conform to the current presentation. The current presentation aligns with how the Company presently reports sales and markets its products. The Company also reclassified instrument depreciation from cost of sales to selling, general and administrative expense.

The Merger

Biomet, Inc. finalized the merger with LVB Acquisition Merger Sub, Inc., a wholly-owned subsidiary of LVB Acquisition, Inc., which we refer to in this press release as the “Merger”, on September 25, 2007. LVB Acquisition, Inc. is indirectly owned by investment partnerships directly or indirectly advised or managed by The Blackstone Group, Goldman Sachs & Co., Kohlberg Kravis Roberts & Co. and TPG Global.

Rounding

Amounts may not recalculate due to rounding.

Biomet, Inc.

Product Net Sales

Three Months Ended February 28, 2014 and 2013

(in millions, except percentages, unaudited)

	Three Months Ended February 28, 2014	Three Months Ended February 28, 2013	Reported Growth %	Constant Currency* Growth %	United States Growth %
Knees	\$ 254.2	\$ 234.7	8.4%	9.4%	7.7 %
Hips	162.9	158.5	2.8%	4.3%	4.6 %
Sports, Extremities, Trauma (S.E.T.)	169.0	161.4	4.7%	5.8%	10.0 %
Spine, Bone Healing and Microfixation	115.9	99.6	16.4%	16.5%	13.0 %
Dental	64.4	64.4	0.1%	0.3%	(2.3) %
Cement, Biologics and Other	56.1	52.9	5.7%	5.9%	3.3 %
Net Sales	<u>\$ 822.5</u>	<u>\$ 771.5</u>	<u>6.6%</u>	<u>7.5%</u>	<u>7.6 %</u>

	Three Months Ended February 28, 2014 Net Sales Growth As Reported	Currency Impact*	Three Months Ended February 28, 2014 Net Sales Growth in Local Currencies*
Knees	8.4%	1.0%	9.4%
Hips	2.8%	1.5%	4.3%
Sports, Extremities, Trauma (S.E.T.)	4.7%	1.1%	5.8%
Spine, Bone Healing and Microfixation	16.4%	0.1%	16.5%
Dental	0.1%	0.2%	0.3%
Cement, Biologics and Other	5.7%	0.2%	5.9%
Net Sales	<u>6.6%</u>	<u>0.9%</u>	<u>7.5%</u>

* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.

Product Net Sales

Nine Months Ended February 28, 2014 and 2013

(in millions, except percentages, unaudited)

	Nine Months Ended February 28, 2014	Nine Months Ended February 28, 2013	Reported Growth %	Constant Currency* Growth %	United States Growth %
Knees	\$ 743.3	\$ 699.8	6.2%	7.4%	7.0%
Hips	480.3	469.5	2.3%	4.0%	3.6%
Sports, Extremities, Trauma (S.E.T.)	478.8	440.9	8.6%	9.8%	11.1%
Spine, Bone Healing and Microfixation	322.4	311.0	3.7%	3.6%	0.3%
Dental	188.8	188.5	0.1%	0.2%	3.5%
Cement, Biologics and Other	165.3	159.3	3.7%	3.5%	0.1%
Net Sales	<u>\$ 2,378.9</u>	<u>\$ 2,269.0</u>	<u>4.8%</u>	<u>5.8%</u>	<u>5.4%</u>

	Nine Months Ended February 28, 2014 Net Sales Growth As Reported	Currency Impact*	Nine Months Ended February 28, 2014 Net Sales Growth in Local Currencies*
Knees	6.2%	1.2 %	7.4%
Hips	2.3%	1.7 %	4.0%
Sports, Extremities, Trauma (S.E.T.)	8.6%	1.2 %	9.8%
Spine, Bone Healing and Microfixation	3.7%	(0.1) %	3.6%
Dental	0.1%	0.1 %	0.2%
Cement, Biologics and Other	3.7%	(0.2) %	3.5%
Net Sales	<u>4.8%</u>	<u>1.0 %</u>	<u>5.8%</u>

* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.
Geographic Net Sales
Three Months Ended February 28, 2014 and 2013
(in millions, except percentages, unaudited)

	Three Months Ended February 28, 2014	Three Months Ended February 28, 2013	Reported Growth %	Constant Currency* Growth %
Geographic Sales:				
United States	\$ 508.9	\$ 472.9	7.6 %	7.6%
Europe	199.8	184.7	8.1 %	5.7%
International	113.8	113.9	(0.1)%	9.9%
Net Sales	<u>\$ 822.5</u>	<u>\$ 771.5</u>	<u>6.6 %</u>	<u>7.5%</u>

	Three Months Ended February 28, 2014 Net Sales Growth As Reported	Currency Impact*	Three Months Ended February 28, 2014 Net Sales Growth in Local Currencies*
United States	7.6 %	— %	7.6%
Europe	8.1 %	(2.4)%	5.7%
International	(0.1)%	10.0 %	9.9%
Total	<u>6.6 %</u>	<u>0.9 %</u>	<u>7.5%</u>

* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.
Geographic Net Sales
Nine Months Ended February 28, 2014 and 2013
(in millions, except percentages, unaudited)

	Nine Months Ended February 28, 2014	Nine Months Ended February 28, 2013	Reported Growth %	Constant Currency* Growth %
Geographic Sales:				
United States	\$ 1,471.9	\$ 1,395.9	5.4 %	5.4%
Europe	563.1	521.5	8.0 %	4.7%
International	343.9	351.6	(2.2)%	8.5%
Net Sales	<u>\$ 2,378.9</u>	<u>\$ 2,269.0</u>	<u>4.8 %</u>	<u>5.8%</u>

	Nine Months Ended February 28, 2014 Net Sales Growth As Reported	Currency Impact*	Nine Months Ended February 28, 2014 Net Sales Growth in Local Currencies*
United States	5.4 %	— %	5.4%
Europe	8.0 %	(3.3)%	4.7%
International	(2.2)%	10.7 %	8.5%
Total	<u>4.8 %</u>	<u>1.0 %</u>	<u>5.8%</u>

* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.
Consolidated Statements of Operations
Three and Nine Months Ended February 28, 2014 and 2013
(in millions, except percentages, unaudited)

	Three Months Ended February 28,		Nine Months Ended February 28,	
	2014	2013	2014	2013
Net sales	\$ 822.5	\$ 771.5	\$ 2,378.9	\$ 2,269.0
Cost of sales	326.9	238.5	790.0	646.7
Gross profit	495.6	533.0	1,588.9	1,622.3
Selling, general and administrative expense	366.4	327.2	1,020.1	976.0
Research and development expense	42.5	35.0	121.4	107.2
Amortization	86.5	74.1	237.2	230.2
Goodwill impairment charge	—	233.0	—	233.0
Intangible assets impairment charge	—	101.1	—	101.1
Operating income (loss)	0.2	(237.4)	210.2	(25.2)
Interest expense	81.1	88.8	274.4	310.8
Other (income) expense	(0.5)	10.9	5.4	172.4
Income (loss) before income taxes	(80.4)	(337.1)	(69.6)	(508.4)
Benefit for income taxes	(14.5)	(32.6)	(39.7)	(106.2)
Net income (loss)	\$ (65.9)	\$ (304.5)	\$ (29.9)	\$ (402.2)

Biomet, Inc.

Reconciliation of Reported Consolidated Statements of Operations to Consolidated Statements of Operations, as adjusted*

Three Months Ended February 28, 2014 and 2013

(in millions, except percentages, unaudited)

Three Months Ended February 28, 2014

	Gross profit	Selling, general and administrative expense	Research and development expense	Amortization	Operating income (loss)	Provision (benefit) from income taxes	Net income (loss)
As Reported	\$ 495.6	\$ 366.4	\$ 42.5	\$ 86.5	\$ 0.2	\$ (14.5)	\$ (65.9)
Certain litigation	81.2	(11.8)	—	—	93.0	—	93.0
Acquisition expenses	0.1	(10.4)	—	—	10.5	—	10.5
Operational restructuring	20.9	(7.7)	—	—	28.6	—	28.6
Principal Stockholders fee	—	(2.8)	—	—	2.8	—	2.8
Special items, before amortization from purchase accounting, interest and tax	102.2	(32.7)	—	—	134.9	—	134.9
Amortization from purchase accounting	—	—	—	(83.2)	83.2	—	83.2
Special items, pre-tax	102.2	(32.7)	—	(83.2)	218.1	—	218.1
Tax effect	—	—	—	—	—	44.9	(44.9)
As Adjusted*	\$ 597.8	\$ 333.7	\$ 42.5	\$ 3.3	\$ 218.3	\$ 30.4	\$ 107.3

Three Months Ended February 28, 2013

	Gross profit	Selling, general and administrative expense	Research and development expense	Amortization	Goodwill and intangible assets impairment charge	Operating income (loss)	Other (income) expense	Provision (benefit) from income taxes	Net income (loss)
As Reported	\$ 533.0	\$ 327.2	\$ 35.0	\$ 74.1	\$ 334.1	\$ (237.4)	\$ 10.9	\$ (32.6)	\$ (304.5)
Certain litigation	18.2	(4.8)	—	—	—	23.0	—	—	23.0
Acquisition expenses	1.9	(0.9)	—	—	—	2.8	—	—	2.8
Operational restructuring	17.3	(3.3)	—	—	—	20.6	(3.2)	—	23.8
Principal Stockholders fee	—	(2.7)	—	—	—	2.7	—	—	2.7
Asset impairment	—	—	—	—	(334.1)	334.1	—	—	334.1
Loss on extinguishment of debt	—	—	—	—	—	—	(3.4)	—	3.4
Special items, before amortization from purchase accounting, interest and tax	37.4	(11.7)	—	—	(334.1)	383.2	(6.6)	—	389.8
Amortization from purchase accounting	—	—	—	(70.5)	—	70.5	—	—	70.5
Special items, pre-tax	37.4	(11.7)	—	(70.5)	(334.1)	453.7	(6.6)	—	460.3
Tax effect	—	—	—	—	—	—	—	60.9	(60.9)
As Adjusted*	\$ 570.4	\$ 315.5	\$ 35.0	\$ 3.6	\$ —	\$ 216.3	\$ 4.3	\$ 28.3	\$ 94.9

* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.

Reconciliation of Reported Consolidated Statements of Operations to Consolidated Statements of Operations, as adjusted*

Nine Months Ended February 28, 2014 and 2013

(in millions, except percentages, unaudited)

Nine Months Ended February 28, 2014

	Gross profit	Selling, general and administrative expense	Research and development expense	Amortization	Operating income (loss)	Interest Expense	Other (income) expense	Provision (benefit) from income taxes	Net income (loss)
As Reported	\$ 1,588.9	\$ 1,020.1	\$ 121.4	\$ 237.2	\$ 210.2	\$ 274.4	\$ 5.4	\$ (39.7)	\$ (29.9)
Certain litigation	101.1	(21.4)	—	—	122.5	—	—	—	122.5
Acquisition expenses	4.7	(15.2)	—	—	19.9	—	—	—	19.9
Operational restructuring	45.3	(5.8)	(0.1)	—	51.2	—	0.3	—	50.9
Principal Stockholders fee	—	(8.2)	—	—	8.2	—	—	—	8.2
Loss on extinguishment of debt	—	—	—	—	—	—	(6.6)	—	6.6
Special items, before amortization from purchase accounting, interest and tax	151.1	(50.6)	(0.1)	—	201.8	—	(6.3)	—	208.1
Amortization from purchase accounting	—	—	—	(227.5)	227.5	—	—	—	227.5
Loss on swap liability	—	—	—	—	—	(21.8)	—	—	21.8
Special items, pre-tax	151.1	(50.6)	(0.1)	(227.5)	429.3	(21.8)	(6.3)	—	457.4
Tax effect	—	—	—	—	—	—	—	125.1	(125.1)
As Adjusted*	\$ 1,740.0	\$ 969.5	\$ 121.3	\$ 9.7	\$ 639.5	\$ 252.6	\$ (0.9)	\$ 85.4	\$ 302.4

Nine Months Ended February 28, 2013

	Gross profit	Selling, general and administrative expense	Research and development expense	Amortization	Goodwill and intangible assets impairment charge	Operating income (loss)	Other (income) expense	Provision (benefit) from income taxes	Net income (loss)
As Reported	\$ 1,622.3	\$ 976.0	\$ 107.2	\$ 230.2	\$ 334.1	\$ (25.2)	\$ 172.4	\$ (106.2)	\$ (402.2)
Certain litigation	23.1	(9.3)	—	—	—	32.4	—	—	32.4
Acquisition expenses	3.3	(8.5)	—	—	—	11.8	—	—	11.8
Operational restructuring	35.4	(6.3)	(0.2)	—	—	41.9	(3.2)	—	45.1
Principal Stockholders fee	—	(8.2)	—	—	—	8.2	—	—	8.2
Asset impairment	—	—	—	—	(334.1)	334.1	—	—	334.1
Loss on extinguishment of debt	—	—	—	—	—	—	(171.1)	—	171.1
Special items, before amortization from purchase accounting, interest and tax	61.8	(32.3)	(0.2)	—	(334.1)	428.4	(174.3)	—	602.7
Amortization from purchase accounting	—	—	—	(219.4)	—	219.4	—	—	219.4
Special items, pre-tax	61.8	(32.3)	(0.2)	(219.4)	(334.1)	647.8	(174.3)	—	822.1
Tax effect	—	—	—	—	—	—	—	178.0	(178.0)
As Adjusted*	\$ 1,684.1	\$ 943.7	\$ 107.0	\$ 10.8	\$ —	\$ 622.6	\$ (1.9)	\$ 71.8	\$ 241.9

* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.**Other Financial Information****Reconciliation of Net Income, as reported, to EBITDA, as adjusted***

(in millions, except percentages, unaudited)

	Three Months Ended February 28, 2014	Three Months Ended February 28, 2013	Nine Months Ended February 28, 2014	Nine Months Ended February 28, 2013
Net income (loss), as reported	\$ (65.9)	\$ (304.5)	\$ (29.9)	\$ (402.2)
Interest expense	81.1	88.8	274.4	310.8
Provision (benefit) from income taxes	(14.5)	(32.6)	(39.7)	(106.2)
Depreciation and amortization	135.9	122.7	378.4	364.8
Special items, before purchase accounting, interest and tax	134.9	389.8	208.1	602.7
EBITDA, as adjusted*	<u>\$ 271.5</u>	<u>\$ 264.2</u>	<u>\$ 791.3</u>	<u>\$ 769.9</u>
Net Sales	\$ 822.5	\$ 771.5	\$ 2,378.9	\$ 2,269.0
EBITDA percentage, as adjusted*	33.0%	34.2%	33.3%	33.9%

* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.
Condensed Consolidated Balance Sheets
(in millions, unaudited)

	(Preliminary) February 28, 2014	May 31, 2013
Assets		
Cash and cash equivalents	\$ 212.4	\$ 355.6
Accounts receivable, net	582.9	531.8
Inventories	684.4	624.0
Current deferred income taxes	151.6	119.9
Prepaid expenses and other	135.0	141.3
Property, plant and equipment, net	690.9	665.2
Intangible assets, net	3,458.8	3,630.2
Goodwill	3,656.8	3,600.9
Other assets	124.0	125.8
Total Assets	<u>\$ 9,696.8</u>	<u>\$ 9,794.7</u>
Liabilities and Shareholder's Equity		
Current liabilities, excluding debt	\$ 611.2	\$ 523.8
Current portion of long-term debt	33.2	40.3
Long-term debt, net of current portion	5,798.5	5,926.1
Deferred income taxes, long-term	1,058.4	1,129.8
Other long-term liabilities	194.6	206.1
Shareholder's equity	2,000.9	1,968.6
Total Liabilities and Shareholder's Equity	<u>\$ 9,696.8</u>	<u>\$ 9,794.7</u>
Net Debt (a)*	\$ 5,619.3	\$ 5,610.8

(a) Net debt is the sum of total debt less cash and cash equivalents, as defined by the credit agreement.

* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.

Consolidated Statement of Cash Flows and GAAP Operating Cash Flow Reconciled to Free Cash Flow*
& Unlevered Free Cash Flow*
(in millions, unaudited)

	(Preliminary) Three Months Ended February 28, 2014	Three Months Ended February 28, 2013	(Preliminary) Nine Months Ended February 28, 2014	Nine Months Ended February 28, 2013
CASH FLOWS PROVIDED BY (USED IN)				
OPERATING ACTIVITIES:				
Net income (loss)	\$ (65.9)	\$ (304.5)	\$ (29.9)	\$ (402.2)
Adjustments to reconcile net loss to net cash provided by operating activities:	—			
Depreciation and amortization	135.9	122.7	378.4	364.8
Amortization and write off of deferred financing costs	4.2	7.3	18.6	27.3
Stock-based compensation expense	5.0	5.8	13.6	32.3
Loss on extinguishment of debt	—	—	—	155.2
Recovery of doubtful accounts receivable	(1.1)	(1.3)	—	(0.4)
Realized gain on investments	—	(0.2)	—	(0.2)
Goodwill and intangible assets impairment charge	—	334.1	—	334.1
Deferred income taxes	(23.4)	(59.9)	(126.5)	(165.4)
Other	1.1	9.6	(6.2)	5.9
Changes in operating assets and liabilities, net of acquired assets:	—			
Accounts receivable	8.4	3.9	(30.9)	(53.1)
Inventories	9.2	1.0	(18.8)	(33.6)
Prepaid expenses	(5.6)	(4.3)	4.4	(7.9)
Accounts payable	2.8	(14.2)	(18.2)	(28.0)
Income taxes	8.1	12.6	18.8	5.5
Accrued interest	(22.2)	(11.3)	(20.9)	(12.6)
Accrued expenses and other	98.2	43.9	143.2	52.1
Net cash provided by operating activities	154.7	145.2	325.6	273.8
CASH FLOWS PROVIDED BY (USED IN)				
INVESTING ACTIVITIES:				
Proceeds from sales/maturities of investments	—	5.5	19.0	5.5
Purchases of investments	(0.2)	—	(19.8)	(6.4)
Proceeds from sale of assets	0.7	14.0	0.8	14.0
Capital expenditures	(60.3)	(42.8)	(158.8)	(149.7)
Acquisitions, net of cash acquired - 2012 Trauma Acquisition	—	—	—	(280.0)
Acquisitions, net of cash acquired - 2013 Spine Acquisition	—	—	(148.8)	—
Other acquisitions, net of cash acquired	(0.5)	(1.2)	(1.3)	(17.2)
Net cash used in investing activities	(60.3)	(24.5)	(308.9)	(433.8)
CASH FLOWS PROVIDED BY (USED IN)				
FINANCING ACTIVITIES:				
Debt:				
Payments under European facilities	—	(0.3)	(2.3)	(1.0)

Payments under senior secured credit facilities	(7.7)	(8.5)	(22.6)	(25.2)
Proceeds under revolvers	—	—	159.3	80.0
Payments under revolvers	(56.0)	(70.0)	(63.0)	(80.0)
Proceeds from senior notes due 2020 and term loans	—	730.0	870.5	3,396.2
Tender/retirement of senior notes due 2017 and term loans	—	(720.8)	(1,091.6)	(3,423.0)
Payment of fees related to refinancing activities	—	(10.0)	(15.5)	(77.8)
Equity:	—			
Repurchase of LVB Acquisition, Inc. shares	—	—	—	(0.1)
Option exercises	0.3	—	0.6	—
Net cash used in financing activities	(63.4)	(79.6)	(164.6)	(130.9)
Effect of exchange rate changes on cash	5.2	8.8	4.7	15.9
Increase (decrease) in cash and cash equivalents	36.2	49.9	(143.2)	(275.0)
Cash and cash equivalents, beginning of period	176.2	167.5	355.6	492.4
Cash and cash equivalents, end of period	\$ 212.4	\$ 217.4	\$ 212.4	\$ 217.4
Free Cash Flow*(1)	\$ 94.4	\$ 102.4	\$ 166.8	\$ 124.1
Add back: cash paid for interest	100.4	97.5	287.0	315.5
Unlevered Free Cash Flow* (2)	\$ 194.8	\$ 199.9	\$ 453.8	\$ 439.6

Supplemental disclosures of cash flow information:

Cash paid during the period for:

Interest	\$ 100.4	\$ 97.5	\$ 287.0	\$ 315.5
Income taxes	\$ 4.5	\$ 13.2	\$ 69.7	\$ 49.0

(1) Defined as cash flow from operations less capital expenditures.

(2) Defined as Free Cash Flow plus cash paid for interest. Commonly used by companies that are highly leveraged to show how assets perform before interest payments.

* See Non-GAAP Financial Measures Disclosure