

BIOMET ANNOUNCES SECOND QUARTER OF FISCAL 2014 FINANCIAL RESULTS

WARSAW, Ind., January 8, 2014 – Biomet, Inc. announced today financial results for its second quarter ended November 30, 2013.

Second Quarter Financial Results

- **Consolidated net sales increased 4.5% (5.4% constant currency) worldwide to approximately \$826 million**
- **Knee sales grew 6.6% (7.7% constant currency) worldwide, with U.S. growth of 8.4%**
- **S.E.T. sales increased 5.3% (6.5% constant currency) worldwide and grew 6.2% in the U.S.**
- **Acquisition of Lanx, Inc. closed on October 31, 2013, as previously announced**
- **Commercial launch of G7™ Acetabular System began during the second quarter of fiscal year 2014**

Consolidated net sales of \$825.7 million increased 4.5% in the quarter, compared to net sales of \$790.1 million during the second quarter of fiscal year 2013. Excluding the effect of foreign currency, consolidated net sales increased 5.4% during the second quarter. U.S. net sales increased 4.7% during the second quarter to \$493.1 million, while Europe net sales increased 9.3% (5.8% constant currency) to \$211.8 million and International (primarily Canada, South America, Mexico and the Pacific Rim) net sales decreased 3.7% (increased 7.1% constant currency) to \$120.8 million. On a consolidated basis we had the same number of selling days during the second quarter of fiscal year 2014, compared to the prior year quarter.

Special items (pre-tax) totaled \$155.7 million during the second quarter of fiscal year 2014, compared to \$222.1 million during the second quarter of fiscal year 2013.

Reported operating income was \$113.6 million during the second quarter of fiscal year 2014, compared to operating income of \$143.2 million during the second quarter of fiscal year 2013. Excluding special items, adjusted operating income totaled \$241.3 million during the second quarter of fiscal year 2014, compared to \$240.0 million during the prior year period.

Reported net income in the quarter was \$4.9 million, compared to a net loss of \$66.2 million during the second quarter of the prior year. Excluding special items, adjusted net income totaled \$126.8 million during the second quarter of fiscal year 2014, compared to \$103.7 million for the second quarter of fiscal year 2013.

Excluding special items, adjusted earnings before interest, taxes, depreciation and amortization (“EBITDA”) during the second quarter of fiscal year 2014 totaled \$293.8 million compared to \$288.2 million for the second quarter of fiscal year 2013.

Reported interest expense totaled \$105.7 million during the second quarter of fiscal year 2014, compared to \$104.9 million at the end of the second quarter of fiscal year 2013. Excluding special items, adjusted interest expense totaled \$83.9 million during the second quarter of fiscal year 2014, compared to \$104.9 million for the second quarter of fiscal year 2013.

Reported cash flow from operations totaled \$120.1 million during the second quarter of fiscal year 2014, compared to reported cash flow from operations of \$43.1 million for the second quarter of fiscal year 2013. Free cash flow (operating cash flow minus capital expenditures) was \$68.1 million, which reflected \$85.3 million of cash interest paid in the quarter, compared to a use of cash of \$10.7 million during the second quarter of fiscal year 2013, reflecting \$155.5 million of cash interest paid. Unlevered free cash flow (free cash flow plus cash paid for interest) was \$153.4 million during the second quarter of fiscal year 2014, compared to \$144.8 million for the second quarter of fiscal year 2013.

At November 30, 2013, reported gross debt was \$5,896.8 million, and cash and cash equivalents, as defined in the Company’s Amended and Restated Credit Agreement dated August 2, 2012, totaled \$176.2 million, resulting in net debt of \$5,720.6 million, compared to \$5,610.8 million at May 31, 2013.

Biomet’s senior secured leverage ratio as of November 30, 2013 was 2.80 times the last twelve months (“LTM”) adjusted EBITDA, as defined by our credit agreement, compared to 4.01 times at May 31, 2008, the first fiscal year-end following the Merger. The total (net debt) leverage ratio was 5.24 times LTM adjusted EBITDA at November 30, 2013, compared to 6.97 times at May 31, 2008.

Biomet’s President and Chief Executive Officer Jeffrey R. Binder commented, “We were very pleased with our broad and balanced 6% organic sales growth in the quarter on a constant currency basis, with strong performance across multiple product segments and geographic regions. We’re also delivering excellent growth in adjusted net income (ex-specials and amortization), with an increase of 27% to approximately \$208 million through the first half of our fiscal year.”

About Biomet

Biomet, Inc. and its subsidiaries design, manufacture and market products used primarily by musculoskeletal medical specialists in both surgical and non-surgical therapy. Biomet's product portfolio includes knee and hip reconstructive products; sports medicine, extremities and trauma products; spine, bone healing and microfixation products, including spine hardware, spinal stimulation devices, osteobiologics, and non-invasive bone growth stimulators; as well as neurosurgical and craniomaxillofacial reconstructive devices, and thoracic products; dental reconstructive products; and bone cement products, biologics, and other products. Headquartered in Warsaw, Indiana, Biomet and its subsidiaries currently distribute products in approximately 90 countries.

Contacts

For further information contact Daniel P. Florin, Senior Vice President and Chief Financial Officer, at (574) 372-1687 or Barbara Goslee, Director, Investor Relations at (574) 372-1514.

Financial Schedule Presentation

The Company's unaudited condensed consolidated financial statements as of and for the three and six months ended November 30, 2013 and 2012 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 the Trauma Acquisition and Lanx Acquisition; 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 consolidated net sales and Spine, Bone Healing and Microfixation net sales excluding the impact of the Bracing Divestiture, certain Spine Royalties, and the Lanx Acquisition, 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, other (income) expense as adjusted, provision (benefit) for income taxes as adjusted, cash and cash equivalents (as defined by our credit agreement), net debt, senior secured leverage ratio, total leverage ratio, 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, other (income) expense, and/or exclude certain expenses as defined by our credit agreement, 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 non-income based taxes, stock-based compensation, medical device taxes, litigation costs, 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 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.

Trauma Acquisition

On May 24, 2012, DePuy Orthopaedics, Inc. accepted the Company's binding offer to purchase certain assets representing substantially all of DePuy's worldwide trauma business ("Trauma Acquisition"), which involves researching, developing, manufacturing, marketing, distributing and selling products to treat certain bone fractures or deformities in the human body, including certain intellectual property assets, and to assume certain liabilities, for approximately \$280.0 million in cash. On June 15, 2012, the Company announced the initial closing of the transaction. During the first and second quarters of fiscal year 2013 subsequent closings in various foreign countries occurred on a staggered basis, with the final closing occurring on December 7, 2012. The Company acquired the DePuy worldwide trauma business to strengthen its trauma business and to continue to build a stronger presence in the global trauma market.

Bracing Divestiture

On February 28, 2013, the Company divested certain assets representing substantially all of the Company's bracing business ("Bracing Divestiture").

Spine Royalties

The Company is currently receiving royalty income related to a license agreement for certain Spine products ("Spine Royalties").

Lanx Acquisition

On October 5, 2013, the Company and its wholly-owned subsidiaries EBI Holdings, LLC, a Delaware limited liability company ("EBI"), and LNX Acquisition, Inc., a Delaware corporation ("Merger Sub"), entered into an Agreement and Plan of Merger (the "Merger Agreement") with Lanx, Inc., a Delaware corporation ("Lanx"). On October 31, 2013, Merger Sub merged with and into Lanx and the separate corporate existence of Merger Sub ceased (the "Merger"). Upon the consummation of the Merger, Lanx became a wholly-owned subsidiary of EBI and the Company. As of November 1, 2013 the activities of Lanx were included in the Company's consolidated results. The aggregate purchase price for the acquisition was approximately \$150.8 million on a debt-free basis.

Rounding

Amounts may not recalculate due to rounding.

Biomet, Inc.
Product Net Sales
Three Months Ended November 30, 2013 and 2012
(in millions, except percentages, unaudited)

	Three Months Ended November 30, 2013	Three Months Ended November 30, 2012	Reported Growth %	Constant Currency* Growth %	United States Growth %
Knees	\$ 264.0	\$ 247.6	6.6%	7.7%	8.4%
Hips	167.7	164.1	2.3%	3.9%	3.3%
Sports, Extremities, Trauma (S.E.T.)	160.3	152.2	5.3%	6.5%	6.2%
Spine, Bone Healing & Microfixation	104.9	102.6	2.3%	2.2%	(1.7)%
Dental	70.5	67.1	4.9%	4.7%	10.2%
Cement, Biologics & Other	58.3	56.5	3.1%	2.7%	(2.4)%
Net Sales	<u>\$ 825.7</u>	<u>\$ 790.1</u>	<u>4.5%</u>	<u>5.4%</u>	<u>4.7%</u>

Net Sales, excluding Bracing Divestiture, Spine Royalties and Lanx Acquisition ("Organic Sales")*	\$ 818.3	\$ 780.1	4.9%	5.8%	5.6%
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Spine, Bone Healing & Microfixation, excluding Bracing Divestiture, Spine Royalties and Lanx Acquisition*	\$ 97.6	\$ 92.6	5.4%	5.3%	2.9%
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	Three Months Ended November 30, 2013 Net Sales Growth As Reported	Currency Impact*	Three Months Ended November 30, 2013 Net Sales Growth in Local Currencies*
Knees	6.6%	1.1%	7.7%
Hips	2.3%	1.6%	3.9%
Sports, Extremities, Trauma (S.E.T.)	5.3%	1.2%	6.5%
Spine, Bone Healing & Microfixation	2.3%	(0.1)%	2.2%
Dental	4.9%	(0.2)%	4.7%
Cement, Biologics & Other	3.1%	(0.4)%	2.7%
Net Sales	<u>4.5%</u>	<u>0.9%</u>	<u>5.4%</u>

Net Sales, excluding Bracing Divestiture, Spine Royalties and Lanx Acquisition ("Organic Sales")*	4.9%	0.9%	5.8%
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Spine, Bone Healing & Microfixation, excluding Bracing Divestiture, Spine Royalties and Lanx Acquisition*	5.4%	(0.1)%	5.3%
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* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.
Product Net Sales
Six Months Ended November 30, 2013 and 2012
(in millions, except percentages, unaudited)

	Six Months Ended November 30, 2013	Six Months Ended November 30, 2012	Reported Growth %	Constant Currency* Growth %	United States Growth %
Knees	\$ 489.1	\$ 465.1	5.1%	6.3%	6.7%
Hips	317.4	311.0	2.1%	3.8%	3.1%
Sports, Extremities, Trauma (S.E.T.)	309.8	279.5	10.8%	12.1%	11.8%
Spine, Bone Healing & Microfixation	206.5	211.4	(2.3)%	(2.4)%	(5.5)%
Dental	124.4	124.1	0.2%	0.2%	6.7%
Cement, Biologics & Other	109.2	106.4	2.8%	2.3%	(1.5)%
Net Sales	<u>\$ 1,556.4</u>	<u>\$ 1,497.5</u>	<u>3.9%</u>	<u>4.9%</u>	<u>4.3%</u>

Net Sales, excluding Bracing Divestiture, Spine Royalties and Lanx Acquisition ("Organic Sales")*	\$ 1,547.9	\$ 1,475.9	4.9%	5.8%	6.0%
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Spine, Bone Healing & Microfixation, excluding Bracing Divestiture, Spine Royalties and Lanx Acquisition*	\$ 198.0	\$ 189.9	4.3%	4.2%	3.0%
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	Six Months Ended November 30, 2013 Net Sales Growth As Reported	Currency Impact*	Six Months Ended November 30, 2013 Net Sales Growth in Local Currencies*
Knees	5.1%	1.2%	6.3%
Hips	2.1%	1.7%	3.8%
Sports, Extremities, Trauma (S.E.T.)	10.8%	1.3%	12.1%
Spine, Bone Healing & Microfixation	(2.3)%	(0.1)%	(2.4)%
Dental	0.2%	—%	0.2%
Cement, Biologics & Other	2.8%	(0.5)%	2.3%
Net Sales	<u>3.9%</u>	<u>1.0%</u>	<u>4.9%</u>

Net Sales, excluding Bracing Divestiture, Spine Royalties and Lanx Acquisition ("Organic Sales")*	4.9%	0.9%	5.8%
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Spine, Bone Healing & Microfixation, excluding Bracing Divestiture, Spine Royalties and Lanx Acquisition*	4.3%	(0.1)%	4.2%
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* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.
Geographic Net Sales
Three Months Ended November 30, 2013 and 2012
(in millions, except percentages, unaudited)

	Three Months Ended November 30, 2013	Three Months Ended November 30, 2012	Reported Growth %	Constant Currency* Growth %
Geographic Sales:				
United States	\$ 493.1	\$ 470.8	4.7%	4.7%
Europe	211.8	193.9	9.3%	5.8%
International	120.8	125.4	(3.7)%	7.1%
Net Sales	<u>\$ 825.7</u>	<u>\$ 790.1</u>	<u>4.5%</u>	<u>5.4%</u>

	Three Months Ended November 30, 2013 Net Sales Growth As Reported	Currency Impact*	Three Months Ended November 30, 2013 Net Sales Growth Local Currencies*
United States	4.7%	—%	4.7%
Europe	9.3%	(3.5)%	5.8%
International	(3.7)%	10.8%	7.1%
Total	<u>4.5%</u>	<u>0.9%</u>	<u>5.4%</u>

* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.
Geographic Net Sales
Six Months Ended November 30, 2013 and 2012
(in millions, except percentages, unaudited)

	Six Months Ended November 30, 2013	Six Months Ended November 30, 2012	Reported Growth %	Constant Currency* Growth %
Geographic Sales:				
United States	\$ 963.0	\$ 923.0	4.3%	4.3%
Europe	363.3	336.8	7.9%	4.2%
International	230.1	237.7	(3.2)%	7.9%
Net Sales	<u>\$ 1,556.4</u>	<u>\$ 1,497.5</u>	<u>3.9%</u>	<u>4.9%</u>

	Six Months Ended November 30, 2013 Net Sales Growth As Reported	Currency Impact*	Six Months Ended November 30, 2013 Net Sales Growth Local Currencies*
United States	4.3%	—%	4.3%
Europe	7.9%	(3.7)%	4.2%
International	(3.2)%	11.1%	7.9%
Total	<u>3.9%</u>	<u>1.0%</u>	<u>4.9%</u>

* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.

Reconciliation of Reported Consolidated Statements of Operations to Consolidated Statements of Operations, as adjusted*
Three and Six Months Ended November 30, 2013 and 2012
(in millions, except percentages, unaudited)

	Three Months Ended November 30, 2013			Three Months Ended November 30, 2012		
	Reported	Special Items*	As Adjusted*	Reported	Special Items*	As Adjusted*
Net sales	\$ 825.7	\$ —	\$ 825.7	\$ 790.1	\$ —	\$ 790.1
Cost of sales	285.0	(36.4)	248.6	236.0	(5.1)	230.9
Gross profit	540.7	36.4	577.1	554.1	5.1	559.2
<i>Gross profit percentage</i>	65.5%		69.9%	70.1%		70.8%
Selling, general and administrative expense	310.5	(18.7)	291.8	296.8	(16.1)	280.7
Research and development expense	41.4	(0.6)	40.8	36.4	(1.4)	35.0
Amortization	75.2	(72.0)	3.2	77.7	(74.2)	3.5
Operating income	113.6	127.7	241.3	143.2	96.8	240.0
<i>Percentage of Net Sales</i>	13.8%		29.2%	18.1%		30.4%
Interest expense	105.7	(21.8)	83.9	104.9	—	104.9
Other (income) expense	3.7	(6.2)	(2.5)	124.0	(125.3)	(1.3)
Income (loss) before income taxes	4.2	155.7	159.9	(85.7)	222.1	136.4
Provision (benefit) for income taxes	(0.7)	33.8	33.1	(19.5)	52.2	32.7
<i>Tax rate</i>			20.7%			24.0%
Net income (loss)	\$ 4.9	\$ 121.9	\$ 126.8	\$ (66.2)	\$ 169.9	\$ 103.7
<i>Percentage of Net Sales</i>	0.6%		15.4%	(8.4)%		13.1%

	Six Months Ended November 30, 2013			Six Months Ended November 30, 2012		
	Reported	Special Items*	As Adjusted*	Reported	Special Items*	As Adjusted*
Net sales	\$ 1,556.4	\$ —	\$ 1,556.4	\$ 1,497.5	\$ —	\$ 1,497.5
Cost of sales	522.2	(51.5)	470.7	464.1	(23.0)	441.1
Gross profit	1,034.2	51.5	1,085.7	1,033.4	23.0	1,056.4
<i>Gross profit percentage</i>	66.4%		69.8%	69.0%		70.5%
Selling, general and administrative expense	594.6	(30.3)	564.3	592.9	(43.3)	549.6
Research and development expense	78.9	(1.3)	77.6	72.2	(4.3)	67.9
Amortization	150.7	(144.3)	6.4	156.1	(148.9)	7.2
Operating income	210.0	227.4	437.4	212.2	219.5	431.7
<i>Percentage of Net Sales</i>	13.5%		28.1%	14.2%		28.8%
Interest expense	193.3	(21.8)	171.5	222.0	—	222.0
Other (income) expense	5.9	(6.2)	(0.3)	161.5	(167.7)	(6.2)
Income (loss) before income taxes	10.8	255.4	266.2	(171.3)	387.2	215.9
Provision (benefit) for income taxes	(25.2)	83.8	58.6	(73.6)	125.4	51.8
<i>Tax rate</i>			22.0%			24.0%
Net income (loss)	\$ 36.0	\$ 171.6	\$ 207.6	\$ (97.7)	\$ 261.8	\$ 164.1
<i>Percentage of Net Sales</i>	2.3%		13.3%	(6.5)%		11.0%

* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.
Other Financial Information
Reconciliation of Operating Income, as reported, to EBITDA, as adjusted*
(in millions, except percentages, unaudited)

	Three Months Ended November 30, 2013	Three Months Ended November 30, 2012	Six Months Ended November 30, 2013	Six Months Ended November 30, 2012
Operating income (loss), as reported	\$ 113.6	\$ 143.2	\$ 210.0	\$ 212.2
Special items from operations*	127.7	96.8	227.4	219.5
Depreciation and amortization from operations	52.5	48.2	\$ 102.7	94.3
EBITDA, as adjusted*	<u>\$ 293.8</u>	<u>\$ 288.2</u>	<u>\$ 540.1</u>	<u>\$ 526.0</u>
Net Sales	\$ 825.7	\$ 790.1	\$ 1,556.4	\$ 1,497.5
EBITDA, as adjusted, as percentage of Net Sales*	35.6%	36.5%	34.7%	35.1%

* See Non-GAAP Financial Measures Disclosure

Biomet, Inc.
Other Financial Information
Special Items detail*
(in millions, unaudited)

	Three Months Ended November 30, 2013	Three Months Ended November 30, 2012	Six Months Ended November 30, 2013	Six Months Ended November 30, 2012
Purchase accounting amortization and depreciation	\$ 73.6	\$ 74.1	\$ 144.4	\$ 148.7
Stock-based compensation expense	4.5	7.4	9.2	26.5
Litigation settlements and reserves and other legal fees	23.5	4.8	29.5	9.4
Acquisition costs	4.1	2.3	4.1	9.2
Operational restructuring and consulting expenses related to operational initiatives (severance, building impairments, abnormal manufacturing variances and other related costs) and other	12.6	5.4	23.4	12.2
Product rationalization charges	—	—	—	8.1
Medical device tax	6.4	—	11.4	—
Sponsor fee	3.0	2.8	5.4	5.4
Loss on swap liability	21.8	—	21.8	—
Loss on extinguishment of debt	6.6	125.3	6.6	167.7
Other	(0.4)	—	(0.4)	—
Special items, pre-tax*	<u>\$ 155.7</u>	<u>\$ 222.1</u>	<u>\$ 255.4</u>	<u>\$ 387.2</u>
Tax effect	<u>33.8</u>	<u>52.2</u>	<u>83.8</u>	<u>125.4</u>
Special items, after tax*	<u>\$ 121.9</u>	<u>\$ 169.9</u>	<u>\$ 171.6</u>	<u>\$ 261.8</u>

* See Non-GAAP Financial Measures Disclosure

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

	(Preliminary) November 30, 2013	May 31, 2013
Assets		
Cash and cash equivalents	\$ 176.2	\$ 355.6
Accounts receivable, net	592.6	531.8
Inventories	701.3	624.0
Current deferred income taxes	121.7	119.9
Prepaid expenses and other	128.8	141.3
Property, plant and equipment, net	692.7	665.2
Intangible assets, net	3,547.7	3,630.2
Goodwill	3,652.8	3,600.9
Other assets	123.6	125.8
Total Assets	<u>\$ 9,737.4</u>	<u>\$ 9,794.7</u>
Liabilities and Shareholder's Equity		
Current liabilities, excluding debt	\$ 527.1	\$ 523.8
Current portion of long-term debt	34.2	40.3
Long-term debt, net of current portion	5,862.6	5,926.1
Deferred income taxes, long-term	1,053.2	1,129.8
Other long-term liabilities	191.5	206.1
Shareholder's equity	2,068.8	1,968.6
Total Liabilities and Shareholder's Equity	<u>\$ 9,737.4</u>	<u>\$ 9,794.7</u>
Net Debt (a)*	<u>\$ 5,720.6</u>	<u>\$ 5,610.8</u>

(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.
Other Financial Information
Reconciliation of Senior Secured Leverage Ratio and Total Leverage Ratio*
(in millions, except ratios, unaudited)

	November 30, 2013		May 31, 2008	
Senior Secured Debt:				
USD Term Loan	\$ 3,078.3		\$ 2,328.3	
EUR Term Loan	—		1,355.2	
Asset Based Revolver	155.0		—	
Cash Flow Revolvers	—		—	
Consolidated Senior Secured Debt	3,233.3	A	3,683.5	E
Senior Notes	2,660.2		2,570.7	
China Facility	3.3		—	
European Facilities	—		46.6	
Consolidated Total Debt	5,896.8		6,300.8	
Cash and Cash Equivalents*, **	(176.2)	B	(127.6)	F
Net Debt*	\$ 5,720.6	C	\$ 6,173.2	G
LTM Adjusted EBITDA				
Quarter 3 Fiscal 2013 Adjusted EBITDA	275.4			
Quarter 4 Fiscal 2013 Adjusted EBITDA	275.9			
Quarter 1 Fiscal 2014 Adjusted EBITDA	246.3			
Quarter 2 Fiscal 2014 Adjusted EBITDA	293.8			
“Run Rate” Cost Savings**	—			
Quarter 2 2014 LTM Adjusted EBITDA*	\$ 1,091.4	D		
Fiscal 2008 LTM Adjusted EBITDA			829.1	
“Run Rate” Cost Savings**			57.0	
Fiscal 2008 LTM Adjusted EBITDA*			\$ 886.1	H
Senior Secured Leverage Ratio*	2.80	A+B / D	4.01	E+F / H
Total Leverage Ratio*	5.24	C / D	6.97	G / H

* See Non-GAAP Financial Measures Disclosure

** As defined by the Amended and Restated Credit Agreement dated August 2, 2012

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 November 30, 2013	Three Months Ended November 30, 2012	(Preliminary) Six Months Ended November 30, 2013	Six Months Ended November 30, 2012
CASH FLOWS PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Net income (loss)	\$ 4.9	\$ (66.2)	\$ 36.0	\$ (97.7)
Adjustments to reconcile net loss to net cash provided by operating activities:	—			
Depreciation and amortization	122.1	121.5	242.5	242.1
Amortization and write off of deferred financing costs	10.8	13.0	14.4	20.0
Stock-based compensation expense	4.4	7.4	8.6	26.5
Loss on extinguishment of debt	—	117.2	—	155.2
Provision for doubtful accounts receivable	1.0	(0.4)	1.1	0.9
Deferred income taxes	(42.1)	(36.6)	(103.1)	(105.5)
Other	(3.4)	(2.4)	(7.3)	(3.7)
Changes in operating assets and liabilities, net of acquired assets:	—			
Accounts receivable	(47.3)	(62.8)	(39.3)	(57.0)
Inventories	(20.5)	(13.4)	(28.0)	(34.6)
Prepaid expenses	7.7	0.6	10.0	(3.6)
Accounts payable	(1.4)	(5.7)	(21.0)	(13.8)
Income taxes	(6.3)	(2.9)	10.7	(7.1)
Accrued interest	17.5	(53.2)	1.3	(1.3)
Accrued expenses and other	72.7	27.0	45.0	8.2
Net cash provided by operating activities	120.1	43.1	170.9	128.6
CASH FLOWS PROVIDED BY (USED IN) INVESTING ACTIVITIES:				
Proceeds from sales/maturities of investments	9.5	—	19.0	—
Purchases of investments	(10.1)	(6.4)	(19.6)	(6.4)
Proceeds from sale of assets	(0.1)	—	0.1	—
Capital expenditures	(52.0)	(53.8)	(98.5)	(106.9)
Acquisitions, net of cash acquired - Trauma Acquisition	—	—	—	(280.0)
Acquisitions, net of cash acquired - Lanx Acquisition	(148.8)	—	(148.8)	—
Other acquisitions, net of cash acquired	(0.4)	(10.1)	(0.8)	(16.0)
Net cash used in investing activities	(201.9)	(70.3)	(248.6)	(409.3)
CASH FLOWS PROVIDED BY (USED IN) FINANCING ACTIVITIES:				
Debt:				
Payments under European facilities	—	(0.3)	(2.3)	(0.7)
Payments under senior secured credit facilities	(6.6)	(8.2)	(14.9)	(16.7)
Proceeds under revolvers	157.0	80.0	159.3	80.0

Payments under revolvers	(2.0)	(10.0)	(7.0)	(10.0)
Proceeds from senior notes due 2020 and term loans	870.5	1,666.2	870.5	2,666.2
Tender/retirement of senior notes due 2017 and term loans	(1,091.6)	(2,120.5)	(1,091.6)	(2,702.2)
Payment of fees related to refinancing activities	(15.3)	(37.7)	(15.5)	(67.8)
Equity:	—			
Repurchase of LVB Acquisition, Inc. shares	—	(0.1)	—	(0.1)
Option exercise	—	—	0.3	—
Net cash used in financing activities	(88.0)	(430.6)	(101.2)	(51.3)
Effect of exchange rate changes on cash	0.6	6.1	(0.5)	7.1
Increase (decrease) in cash and cash equivalents	(169.2)	(451.7)	(179.4)	(324.9)
Cash and cash equivalents, beginning of period	345.4	619.2	355.6	492.4
Cash and cash equivalents, end of period	<u>\$ 176.2</u>	<u>\$ 167.5</u>	<u>\$ 176.2</u>	<u>\$ 167.5</u>
Free Cash Flow*(1)	\$ 68.1	\$ (10.7)	\$ 72.4	\$ 21.7
Add back: cash paid for interest	<u>85.3</u>	<u>155.5</u>	<u>186.6</u>	<u>218.0</u>
Unlevered Free Cash Flow* (2)	<u>\$ 153.4</u>	<u>\$ 144.8</u>	<u>\$ 259.0</u>	<u>\$ 239.7</u>

Supplemental disclosures of cash flow information:

Cash paid during the period for:

Interest	<u>\$ 85.3</u>	<u>\$ 155.5</u>	<u>\$ 186.6</u>	<u>\$ 218.0</u>
Income taxes	<u>\$ 33.0</u>	<u>\$ 13.8</u>	<u>\$ 65.2</u>	<u>\$ 35.8</u>

(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