BIOMET INC
Form 424B3
April 14, 2011
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Filed Pursuant to Rule 424(b)(3)
Registration No. 333-150655

PROSPECTUS SUPPLEMENT

(to prospectus dated November 9, 2010 and the prospectus supplements dated January 6, 2011, January 14, 2011, February 9, 2011, February 15, 2011 and April 12, 2011)

BIOMET, INC.

\$775,000,000 10% Senior Notes due 2017

\$775,000,000 $10^3/_8$%/$11^1/_8$% Senior Toggle Notes due 2017

\$1,015,000,000 $11^5/_8$% Senior Subordinated Notes due 2017

This prospectus supplement updates and supplements the prospectus dated November 9, 2010 and the prospectus supplements dated January 6, 2011, January 14, 2011, February 9, 2011, February 15, 2011 and April 12, 2011.

See the Risk Factors section beginning on page 5 of the prospectus and the Risk Factors section in our Quarterly Report on Form 10-Q filed with the SEC on April 14, 2011 for a discussion of certain risks that you should consider before investing in the notes.

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.

This prospectus supplement and the accompanying prospectus have been prepared for and may be used by Goldman, Sachs & Co. and any affiliates of Goldman, Sachs & Co. in connection with offers and sales of the notes related to market-making transactions in the notes affected from time to time. Goldman, Sachs & Co. or its affiliates may act as principal or agent in such transactions, including as agent for the counterparty when acting as principal or as agent for both counterparties, and may receive compensation in the form of discounts and commissions, including from both counterparties, when it acts as agents for both. Such sales will be made at prevailing market prices at the time of sale, at prices related thereto or at negotiated prices. We will not receive any proceeds from such sales.

You should rely only on the information contained or incorporated by reference in this prospectus supplement and the accompanying 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 supplement and the accompanying prospectus. If given or made, any such other information or representation should not be relied upon as having been authorized by us. This prospectus supplement and the accompanying prospectus does not offer to sell nor ask for offers to buy any of the securities in any jurisdiction where it is unlawful, where the person making the offer is not qualified to do so, or to any person who cannot legally be offered the securities. You should not assume that the information contained or incorporated by reference in this prospectus supplement and the accompanying prospectus is accurate as of any date other than the date on the front cover of this prospectus supplement and the accompanying prospectus or the date of any document incorporated by reference herein.

The date of this prospectus supplement is April 14, 2011.

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UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

(Mark One)

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

For the quarterly period ended February 28, 2011.

OR

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

For the transition period from to .

Commission File Number 001-15601

BIOMET, INC.

(Exact name of registrant as specified in its charter)

Indiana	**35-1418342**
(State or other jurisdiction of	***(I.R.S. Employer***
incorporation or organization)	***Identification No.)***
56 East Bell Drive, Warsaw, Indiana	**46582**
(Address of principal executive offices)	***(Zip Code)***

(574) 267-6639

(Registrant s telephone number, including area code)

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

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

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

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

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

As of February 28, 2011, there was no established public trading market for any of the common stock of the registrant. As of February 28, 2011, there were 1,000 shares of common stock of the registrant outstanding, 100.0% of which were owned by LVB Acquisition, Inc.

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PART I. FINANCIAL INFORMATION

Item 1. Consolidated Financial Statements.
Biomet, Inc. and Subsidiaries Condensed Consolidated Balance Sheets.

(in millions)

	(Unaudited) February 28, 2011	May 31, 2010
Assets		
Current assets:		
Cash and cash equivalents	$ 287.7	$ 189.1
Accounts receivable, net	480.5	452.5
Investments	52.7	
Income tax receivable	7.3	19.2
Inventories	591.6	507.3
Deferred income taxes	57.5	64.3
Prepaid expenses and other	97.2	72.6
Total current assets	1,574.5	1,305.0
Property, plant and equipment, net	646.0	622.0
Investments	36.7	23.3
Intangible assets, net	5,106.6	5,190.3
Goodwill	4,854.0	4,707.5
Other assets	80.1	120.9
Total assets	$ 12,297.9	$ 11,969.0
Liabilities & Shareholder s Equity		
Current liabilities:		
Current portion of long-term debt	$ 36.9	$ 35.6
Accounts payable	83.1	86.3
Accrued interest	131.3	70.2
Accrued wages and commissions	87.3	111.3
Other accrued expenses	230.6	215.1
Total current liabilities	569.2	518.5
Long-term liabilities:		
Long-term debt, net of current portion	5,948.1	5,860.9
Deferred income taxes	1,629.8	1,674.9
Other long-term liabilities	184.3	181.2
Total liabilities	8,331.4	8,235.5
Shareholder s equity:		
Contributed and additional paid-in capital	5,618.5	5,605.1
Accumulated deficit	(1,798.0)	(1,761.0)
Accumulated other comprehensive income (loss)	146.0	(110.6)
Total shareholder s equity	3,966.5	3,733.5
Total liabilities and shareholder s equity	$ 12,297.9	$ 11,969.0

The accompanying notes are a part of the condensed consolidated financial statements.

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Biomet, Inc. and Subsidiaries Condensed Consolidated Statements of Operations.

(in millions)

	(Unaudited) Three Months Ended February 28,		(Unaudited) Nine Months Ended February 28,	
	2011	2010	2011	2010
Net sales	$ 678.0	$ 669.8	$ 2,017.0	$ 1,995.5
Cost of sales	208.1	194.7	609.6	593.6
Gross profit	469.9	475.1	1,407.4	1,401.9
Selling, general and administrative expense	252.9	256.1	765.4	769.5
Research and development expense	28.8	26.6	88.3	76.7
Amortization	93.3	92.3	283.3	282.4
Operating income	94.9	100.1	270.4	273.3
Interest expense	124.0	128.0	373.7	389.6
Other (income) expense	(3.0)	(4.0)	(8.7)	(18.9)
Other (income) expense, net	121.0	124.0	365.0	370.7
Loss before income taxes	(26.1)	(23.9)	(94.6)	(97.4)
Benefit from income taxes	(14.5)	(20.8)	(57.6)	(64.3)
Net loss	$ (11.6)	$ (3.1)	$ (37.0)	$ (33.1)

The accompanying notes are a part of the condensed consolidated financial statements.

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Biomet, Inc. and Subsidiaries Condensed Consolidated Statements of Cash Flows.

(in millions)

	(Unaudited) Nine Months Ended February 28,	
	2011	2010
Cash flows provided by (used in) operating activities:		
Net loss	$ (37.0)	$ (33.1)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	417.5	415.8
Amortization of deferred financing costs	8.4	8.5
Stock-based compensation expense	14.6	14.3
Recovery of doubtful accounts receivable	(3.9)	(9.8)
Gain on sale of investments	(4.9)	(3.0)
Property, plant and equipment impairment charge	0.6	
Provision for inventory obsolescence	11.8	3.8
Deferred income taxes	(98.4)	(104.6)
Loss on extinguishment of debt	1.2	
Other	(12.1)	9.1
Changes in operating assets and liabilities:		
Accounts receivable	11.7	(13.8)
Inventories	(65.0)	(35.9)
Prepaid expenses	(8.4)	(7.4)
Accounts payable	(7.2)	(21.1)
Income taxes	14.0	19.6
Accrued interest	61.1	64.3
Accrued expenses and other	(0.8)	(53.7)
Net cash provided by operating activities	303.2	253.0
Cash flows provided by (used in) investing activities:		
Proceeds from sales/maturities of investments	14.6	16.1
Purchases of investments	(44.3)	(13.3)
Net proceeds from sale of property and equipment	6.1	0.5
Capital expenditures	(133.9)	(146.9)
Acquisitions, net of cash acquired	(18.3)	(9.8)
Net cash used in investing activities	(175.8)	(153.4)
Cash flows provided by (used in) financing activities:		
Debt:		
Proceeds under revolving credit agreements	0.2	20.3
Payments under revolving credit agreements	(1.5)	(133.6)
Payments under senior secured credit facility	(25.9)	(27.0)
Repurchases of senior notes	(11.2)	(8.7)
Equity:		
Repurchase of LVB Acquisition, Inc. shares	(1.2)	(1.5)
Net cash used in financing activities	(39.6)	(150.5)
Effect of exchange rate changes on cash	10.8	2.7
Increase (decrease) in cash and cash equivalents	98.6	(48.2)
Cash and cash equivalents, beginning of period	189.1	215.6
Cash and cash equivalents, end of period	$ 287.7	$ 167.4

Supplemental disclosures of cash flow information:		
Cash paid during the period for:		
Interest	$ 304.4	$ 316.9
Income taxes	$ 28.2	$ 21.5

The accompanying notes are a part of the condensed consolidated financial statements.

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Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited)

Note 1 Basis of Presentation.

The accompanying unaudited condensed consolidated financial statements include the accounts of Biomet, Inc. and its subsidiaries (individually and collectively referred to as Biomet , the Company , we , us , or our). Intercompany accounts and transactions have been eliminated in consolidation.

The unaudited condensed consolidated financial statements have been prepared in accordance with U.S. generally accepted accounting principles (GAAP) for condensed financial information, the instructions to Form 10-Q and Article 10 of Regulation S-X. As a result, they do not include all of the information and footnotes required by U.S. GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation of the financial condition, results of operations and cash flows for the periods presented have been included. Operating results for the three and nine month periods ended February 28, 2011 are not necessarily indicative of the results that may be expected for the fiscal year ending May 31, 2011. For further information, including the Company s significant accounting policies, refer to the audited consolidated financial statements and notes thereto included in the Company s Form 10-K for the fiscal year ended May 31, 2010.

Recent Accounting Pronouncements There are no recently issued accounting pronouncements that the Company has yet to adopt that are expected to have a material effect on the Company s financial position, results of operations or cash flows.

Note 2 Inventories.

Inventories are stated at the lower of cost or market, with cost determined under the first-in, first-out method. The Company reviews inventory on hand and writes down excess and slow-moving inventory based on an assessment of future demand and historical experience. Inventories consisted of the following:

(in millions)	**February 28, 2011**	**May 31, 2010**
Raw materials	$ 91.8	$ 69.1
Work-in-process	51.5	43.6
Finished goods	448.3	394.6
Total inventories	$ 591.6	$ 507.3

Note 3 Property, Plant and Equipment.

Property, plant and equipment are carried at cost less accumulated depreciation. Depreciation is computed by the straight-line method over the estimated useful lives of 3 to 30 years. Depreciation on instruments is included within cost of sales. Maintenance and repairs on property, plant and equipment are expensed as incurred.

Property, plant and equipment consisted of the following:

(in millions)	**February 28, 2011**	**May 31, 2010**
Land and land improvements	$ 46.1	$ 45.7
Buildings and leasehold improvements	122.2	124.1
Machinery and equipment	334.0	283.3
Instruments	532.3	420.6
Construction in progress	28.9	29.4
Total property, plant and equipment	1,063.5	903.1
Accumulated depreciation	(417.5)	(281.1)

Total property, plant and equipment, net	$	646.0	$	622.0

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Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 3 Property, Plant and Equipment, Continued.

The Company recorded a property, plant and equipment impairment charge of $0.6 million within selling, general and administrative expense during the three months ended August 31, 2010, relating to the sale of an office facility located in Parsippany, New Jersey. During November 2010, the Company completed the sale of this facility for $4.8 million in net proceeds.

The Company recorded a property, plant and equipment impairment charge of $6.6 million within cost of sales during the year ended May 31, 2010, relating to the closing of an office, manufacturing and warehouse facility located in Sjöbo, Sweden. During January 2011, the company completed the sale of these facilities for $1.2 million in net proceeds, with a loss of $0.1 million recorded within cost of sales during the three months ended February 28, 2011 in connection with the sale.

Note 4 Investments.

At February 28, 2011, the Company s investments were classified as follows:

(in millions)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Debt securities	$ 0.5	$	$	$ 0.5
Equity securities	0.5	0.1	(0.2)	0.4
Money market funds	9.5			9.5
Time deposit	44.3	0.5		44.8
Greece bonds	33.8	0.1		33.9
Other investments	0.3			0.3
Total short-term and long-term investments	$ 88.9	$ 0.7	$ (0.2)	$ 89.4

At May 31, 2010, the Company s investments were classified as follows:

(in millions)	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
Available-for-sale:				
Debt securities	$ 5.2	$ 2.4	$	$ 7.6
Equity securities	0.5		(0.1)	0.4
Mortgage-backed securities	0.7			0.7
Money market funds	9.5			9.5
Other investments	5.1			5.1
Total short-term and long-term investments	$ 21.0	$ 2.4	$ (0.1)	$ 23.3

The Company recorded proceeds on the sales/maturities of investments of $2.9 million and $14.6 million for the three and nine months ended February 28, 2011, respectively, and $9.8 million and $16.1 million for the three and nine months ended February 28, 2010, respectively. The Company recorded a realized gain of $2.3 million and $4.9 million on the sales/maturities of investments for the three and nine months ended February 28, 2011, respectively, and $1.8 million and $3.0 million for the three and nine months ended February 28, 2010, respectively, that is included in other (income) expense.

The Company received $45.5 million face value zero coupon bonds from the Greece government as payment for the outstanding accounts receivable balance from 2007-2009 related to certain government sponsored institutions in a non-cash transaction. Upon receipt, the bonds had a fair value of $33.8 million, with maturity dates of one to three years. The bonds are designated as available-for-sale securities.

The Company reviews impairments to investment securities quarterly to determine if the impairment is temporary or other-than-temporary. The Company reviews several factors to determine whether losses are other-than-temporary, including but not limited to (1) the length of time each security was in an unrealized loss position, (2) the extent to which fair value was less than cost, (3) the financial condition and near-term prospects of the issuer, and (4) the Company s intent and ability to hold each security for a period of time sufficient to allow for any anticipated recovery in fair value.

Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 5 Goodwill and Other Intangible Assets.

The balance of goodwill as of February 28, 2011 and May 31, 2010 was $4,854.0 million and $4,707.5 million, respectively. The change in goodwill reflects foreign currency fluctuations, primarily the strengthening of the euro against the U.S. dollar.

The Company recorded $16.2 million of intangible assets related to acquisitions during the nine months ended February 28, 2011, primarily related to purchase of customer relationships and substantially all of the assets of Cytosol Laboratories, Inc (Cytosol) further described below.

The Company uses an accelerated method for amortizing the customer relationship intangibles as the value for those relationships is greater at the beginning of their life. The remaining finite-lived intangibles are amortized on a straight line basis. The change in intangible assets reflects acquisitions, amortization, and foreign currency fluctuations, primarily the strengthening of the euro against the U.S. dollar, as well as amortization.

Intangible assets consisted of the following at February 28, 2011 and May 31, 2010:

	February 28, 2011			May 31, 2010		
(in millions)	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Core technology	$ 2,092.6	$ (391.1)	$ 1,701.5	$ 2,087.4	$ (308.9)	$ 1,778.5
Completed technology	664.9	(172.7)	492.2	664.9	(135.3)	529.6
Product trade names	183.7	(38.2)	145.5	183.6	(29.6)	154.0
Customer relationships	2,944.1	(734.4)	2,209.7	2,935.4	(583.7)	2,351.7
Non-compete contracts	4.6	(1.9)	2.7	4.6	(1.2)	3.4
Sub-total	5,889.9	(1,338.3)	4,551.6	5,875.9	(1,058.7)	4,817.2
Corporate trade names	397.6		397.6	397.6		397.6
In-process research & development	2.2		2.2			
Currency translation	189.4	(34.2)	155.2	(33.7)	9.2	(24.5)
Total	$ 6,479.1	$ (1,372.5)	$ 5,106.6	$ 6,239.8	$ (1,049.5)	$ 5,190.3

Expected amortization expense for the intangible assets stated above for the years ending May 31, 2011 through 2015 is $368.4 million, $361.6 million, $353.0 million, $342.4 million, and $328.1 million, respectively.

Cytosol Acquisition

On June 30, 2010, the Company completed the acquisition of substantially all the assets of Cytosol, located in Braintree, Massachusetts, a market leader in production of small volume anticoagulants. Cytosol was founded in 1968 to develop anticoagulants and other products to aid in the processing of blood components. The acquired business has three proprietary products with new drug application approvals: TriCitrasol®, noClot-50® and Rejuvesol® products. TriCitrasol® is used for anticoagulation during granulocytapheresis, noClot-50® is used as an anticoagulant in extracorporeal blood processing in the preparation of platelet rich plasma, and Rejuvesol® is used for the rejuvenation of stored, frozen red blood cells prior to transfusion. The purchase price of $8.7 million was paid on June 30, 2010. The acquisition did not have a material effect on the Company s net sales or operating income for the three or nine months ended February 28, 2011. The purchase price was primarily allocated to identifiable intangible assets based on their estimated fair values at the acquisition date. The fair value assigned to the identifiable intangibles was determined using the income approach. The purchase price allocation was based upon a preliminary valuation and is subject to change during the measurement period as the valuation is finalized.

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Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 5 Goodwill and Other Intangible Assets, Continued.

Impairment

The Company tests its goodwill and indefinite lived intangible asset balances as of March 31 of each fiscal year for impairment. The Company tests these balances more frequently if indicators are present or changes in circumstances suggest that impairment may exist. In performing the test on goodwill, the Company utilizes the two-step approach prescribed under guidance issued by the Financial Accounting Standards Board (FASB). The first step under this guidance requires a comparison of the carrying value of the reporting units, of which the Company has identified eight in total, to the fair value of these reporting units. The Company uses the income approach to determine the fair value of each reporting unit. The approach calculates fair value by estimating the after-tax cash flows attributable to a reporting unit and then discounting these after-tax cash flows to a present value using a risk-adjusted discount rate. To derive the carrying value of the Company s reporting units, the Company assigns goodwill to the reporting units. In addition, for purposes of performing its annual goodwill test, certain corporate assets and liabilities are allocated to the individual reporting units. Assets and liabilities include an allocation of those corporate assets that relate to a reporting unit s operations, and would be considered in determining fair value. The Company allocates assets and liabilities that are not directly related to a specific reporting unit, but from which the reporting unit benefits, based primarily on the respective revenue contribution of each reporting unit. If the carrying value of a reporting unit exceeds its fair value, the Company performs the second step of the goodwill impairment test to measure the amount of impairment loss, if any.

The second step of the goodwill impairment test compares the implied fair value of a reporting unit s goodwill to its carrying value. If the Company is unable to complete the second step of the test prior to the issuance of its financial statements and an impairment loss is probable and could be reasonably estimated, the Company recognizes its best estimate of the loss in its current period financial statements and discloses that amount as an estimate. The Company then recognizes any adjustment to that estimate in subsequent reporting periods, once the Company has finalized the second step of the impairment test.

The Company determines the fair value of indefinite lived intangible assets, primarily tradenames, using the relief-from-royalty method, an income based approach. The approach calculates fair value by estimating the after-tax cash flows attributable to the asset and then discounting these after-tax cash flows to a present value using a risk-adjusted discount rate. The calculated fair value is compared to the carrying value to determine if any impairment exists.

If events or circumstances change, a determination is made by management to ascertain whether certain finite-lived intangibles have been impaired based on the sum of expected future undiscounted cash flows from operating activities. If the estimated net cash flows are less than the carrying amount of such assets, an impairment loss is recognized in an amount necessary to write down the assets to fair value as determined from expected future discounted cash flows.

As of February 28, 2011, the Company concluded that certain indicators were present that suggested impairment may exist for its Europe reporting unit s goodwill and intangibles. The Europe reporting unit had goodwill of $659.6 million and intangibles of $811.9 million (consisting of $108.3 million of indefinite lived and $703.6 million of finite-lived) at February 28, 2011. The indicators of potential impairment in the Company s Europe reporting unit included:

- recent reductions in revenue growth rates for the reporting unit s knee and hip products;
- recent market pressure resulting in reduced average selling prices of the reporting unit s products;
- evidence of declining industry market growth rates for many countries; and

certain European governments actively pursuing healthcare spend restructuring programs.

The impact of these recent items resulted in management initiating a preliminary step one test of goodwill and intangibles for Europe at February 28, 2011. However, the preliminary result of this interim test of impairment for the Europe reporting unit s goodwill and intangibles was inconclusive. The Company is currently completing its annual budget and strategic planning process and is continuing to evaluate overall long-term growth rates, industry information, and other valuation assumptions. The Company will finalize the February 28, 2011 impairment tests during its fourth quarter of fiscal 2011.

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Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 6 Debt.

The terms and carrying value of each debt instrument at February 28, 2011 and May 31, 2010 are set forth below:

(U.S. dollars and euros in millions)	Maturity Date	Interest Rate	Currency	February 28, 2011	May 31, 2010
Debt Instruments					
European facilities	No Maturity Date	Primarily	EUR	4.2	5.1
		Euribor + 1.90%		$ 5.7	$ 6.3
Term loan facility	March 25, 2015	Libor + 3.00%	USD	$ 2,264.0	$ 2,281.5
Term loan facility	March 25, 2015	Libor + 3.00%	EUR	846.6	853.1
				$ 1,164.8	$ 1,047.3
Cash flow revolving credit facility	September 25, 2013	Libor + 2.25%	USD	$	$
Cash flow revolving credit facility	September 25, 2013	Libor + 2.25%	USD/EUR	$/	$/
Asset-based revolving credit facility	September 25, 2013	Libor + 1.25%	USD	$	$
Senior cash pay notes	October 15, 2017	10%	USD	$ 761.0	$ 771.0
Senior PIK toggle notes	October 15, 2017	10 3/8%/11 1/8%	USD	$ 771.0	$ 771.0
Senior subordinated notes	October 15, 2017	11 5/8%	USD	$ 1,015.0	$ 1,015.0
Premium on notes				$ 3.5	$ 4.4
Total debt				$ 5,985.0	$ 5,896.5

The Company currently elects to use 3-month LIBOR for setting the interest rates on the majority of its U.S. dollar and euro term loans. The 3-month LIBOR rate for the U.S. dollar term loan as of February 28, 2011 was 0.30%. The euro term loan had a 3-month LIBOR rate of 0.94% as of February 28, 2011. The Company s term loan facilities require payments each year in an amount equal to 1% of the original principal in equal calendar quarterly installments for the first seven years and three months of the facilities. Through February 28, 2011, the total amount of required payments under our term loan facilities was $25.9 million. There were no borrowings under the asset-based revolving credit facility as of February 28, 2011. The cash flow and asset-based revolving credit facilities and the notes do not have terms for mandatory principal pay downs. To calculate the U.S. dollar equivalent on outstanding balances, the Company used a currency conversion rate of 1 euro to $1.3758 and $1.2276, which represents the currency exchange rate from euros to U.S. dollars on February 28, 2011 and May 31, 2010, respectively.

During the nine months ended February 28, 2011, the Company repurchased certain 10% senior cash pay notes having a par value of $10.0 million. The Company paid $11.2 million to settle the transaction and retire the debt on November 3, 2010, which included a loss on the extinguishment of the debt of $1.2 million recorded in other (income) expense. In conjunction with this transaction, the Company wrote off debt financing costs of $0.1 million and premium on notes of $0.3 million.

Our revolving borrowing base available under all debt facilities at February 28, 2011 was $850.8 million, which is net of the remaining $22.3 million commitment of the subsidiaries of Lehman Brothers Holding Inc. and borrowing base limitations relating to the asset-based revolving credit facility.

As of February 28, 2011, $48.3 million of financing fees related to the Company s credit agreement remained in long-term assets and continue to be amortized through interest expense over the remaining life of the credit agreement.

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Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 7 Fair Value Measurements

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Fair value measurements are principally applied to (1) financial assets and liabilities such as marketable equity securities and debt securities, (2) investments in equity and other securities, and (3) derivative instruments consisting of interest rate swaps. These items are marked-to-market at each reporting period at fair value. The information in the following paragraphs and tables primarily addresses matters relative to these financial assets and liabilities.

Level 1 Inputs are quoted prices in active markets for identical assets or liabilities. The Company s Level 1 assets include money market investments and marketable equity securities.

Level 2 Inputs include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in markets that are not active, and inputs (other than quoted prices) that are observable for the asset or liability, either directly or indirectly. The Company s Level 2 assets and liabilities primarily include agency bonds, corporate debt securities, asset-backed securities, certain mortgage-backed securities, time deposits, Greece Bonds, interest rate swaps, and foreign currency exchange contracts whose value is determined using a pricing model with inputs that are observable in the market or can be derived principally from or corroborated by observable market data.

Level 3 Inputs are unobservable for the asset or liability. The Company s Level 3 assets include other equity investments. See the section below titled *Level 3 Valuation Techniques* for further discussion of how the Company determines fair value for investments classified as Level 3.

The following table provides information by level for assets and liabilities that are measured at fair value on a recurring basis at February 28, 2011 and May 31, 2010:

(in millions)	**Fair Value at February 28, 2011**	**Fair Value Measurements Using Inputs Considered as Level 1**	**Level 2**	**Level 3**
Assets:				
Corporate debt securities	$ 0.8	$	$ 0.8	$
Money market funds	9.5	9.5		
Time deposit	44.8		44.8	
Greece bonds	33.9		33.9	
Other	0.4	0.2		0.2
Total assets	$ 89.4	$ 9.7	$ 79.5	$ 0.2
Liabilities:				
Interest rate swaps	$ 102.1	$	$ 102.1	$
Foreign currency exchange contracts	0.2		0.2	
Total liabilities	$ 102.3	$	$ 102.3	$

(in millions)	Fair Value at May 31, 2010	Fair Value Measurements Using Inputs Considered as Level 1	Level 2	Level 3
Assets:				
Corporate debt securities	$ 2.6	$	$ 2.6	$
Auction-rate securities	5.5			5.5
Money market funds	64.5	64.5		
Other	5.7	4.7	0.8	0.2
Total assets	$ 78.3	$ 69.2	$ 3.4	$ 5.7
Liabilities:				
Interest rate swaps	$ 129.9	$	$ 129.9	$
Total liabilities	$ 129.9	$	$ 129.9	$

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Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 7 Fair Value Measurements, Continued.

Level 3 Valuation Techniques

Financial assets are considered Level 3 when their fair values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. Level 3 financial assets also include certain investment securities for which there is limited market activity where the determination of fair value requires significant judgment or estimation. Level 3 investment securities primarily include other equity investments for which there was a decrease in the observation of market pricing. As of February 28, 2011 and May 31, 2010, these securities were valued primarily using internal cash flow valuation that incorporates transaction details such as contractual terms, maturity, timing and amount of future cash flows, as well as assumptions about liquidity and credit valuation adjustments of marketplace participants.

The following table provides a reconciliation of the beginning and ending balances of items measured at fair value on a recurring basis in the tables above that used significant unobservable inputs (Level 3) as of February 28, 2011 and May 31, 2010:

(in millions)	
Balance at June 1, 2009	$ 22.7
Total net gains included in earnings	4.3
Total unrealized gains included in other comprehensive income	2.6
Total proceeds from sale of available-for-sale securities	(23.9)
Balance at May 31, 2010	5.7
Total net gains included in earnings	2.6
Total unrealized gains included in other comprehensive income	(2.6)
Total proceeds from sale of available-for-sale securities	(5.5)
Balance at February 28, 2011	$ 0.2

The estimated fair value of the Company s long-term debt, including the current portion, at February 28, 2011 was $6,291.3 million, compared to a carrying value of $5,985.0 million, and was $6,060.8 million, compared to a carrying value of $5,896.5 million at May 31, 2010. The fair value of the Company s traded debt was estimated using quoted market prices for the same or similar instruments. The fair value of the Company s variable rate term debt was estimated using the carrying value as this debt has rates which approximate market interest rates. In determining the fair values and carrying values, the Company considers the terms of the related debt and excludes the impacts of debt discounts and interest rate swaps.

On an annual recurring basis, the Company is required to use fair value measures when measuring plan assets of the Company s pension plans. The fair value of pension plan assets was $96.7 million and $82.1 million at February 28, 2011 and May 31, 2010, respectively. These assets are valued in active liquid markets.

Assets and Liabilities Measured at Fair Value on a Nonrecurring Basis

During the nine months ended February 28, 2011 and February 28, 2010, the Company had no significant measurements of assets or liabilities at fair value on a nonrecurring basis subsequent to their initial recognition.

Note 8 Derivative Instruments and Hedging Activities.

The Company is exposed to certain market risks relating to its ongoing business operations, including foreign currency risk, interest rate risk and commodity price risk. The Company currently manages foreign currency risk and interest rate risk through the use of derivatives.

Derivatives Designated as Hedging Instruments

Foreign Currency Instruments Certain assets, liabilities and forecasted transactions are exposed to foreign currency risk, primarily the fluctuation of the U.S. dollar against the euro. The Company has hedged a portion of its net investment in its European subsidiaries with the issuance of a 875.0 million (approximately $1,207.4 million at September 25, 2007) principal amount euro term loan on September 25, 2007. The Company s net investment in its European subsidiaries at the hedging date of September 25, 2007 was 1,238.0 million ($1,690.0 million at September 25, 2007). As of February 28, 2011, the Company s net investment in European subsidiaries totaled 1,973.7 million ($2,715.4 million) and the outstanding principal balance of the euro term loan was 846.6 million ($1,164.8 million). The difference of 1,127.1 million ($1,550.6 million) remained unhedged as of February 28, 2011. Hedge effectiveness is tested quarterly to determine whether hedge treatment is still appropriate. The Company tests effectiveness on this net investment hedge by determining if the net investment in its European subsidiaries is greater than the outstanding euro-denominated debt balance. Any amount of a derivative instrument designated as a hedge determined to be ineffective is recorded as other (income) expense.

Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 8 Derivative Instruments and Hedging Activities, Continued.

Interest Rate Instruments The Company uses interest rate swap agreements (cash flow hedges) in both U.S. dollars and euros as a means of fixing the interest rate on portions of its floating-rate debt instruments. As of February 28, 2011, the Company had a swap liability of $102.1 million, which consisted of $62.1 million short term, and $41.4 million long term, partially offset by a $1.4 million credit valuation adjustment. As of May 31, 2010, the Company had a swap liability of $129.9 million, which consisted of $64.9 million short term, and $69.4 million long term, partially offset by a $4.4 million credit valuation adjustment. The table below summarizes existing swap agreements:

(U.S. dollars and euros in millions)

Structure	Currency	Notional Amount	Effective Date	Termination Date	Fair Value at February 28, 2011 Asset (Liability)	Fair Value at May 31, 2010 Asset (Liability)
3 year	EUR	75.0	September 25, 2007	September 25, 2010	$	$ (1.8)
3 year	EUR	50.0	March 25, 2008	March 25, 2011	(0.5)	(1.9)
4 year	EUR	75.0	September 25, 2007	September 25, 2011	(2.5)	(4.9)
4 year	EUR	40.0	March 25, 2008	March 25, 2012	(1.7)	(2.9)
5 year	EUR	230.0	September 25, 2007	September 25, 2012	(15.2)	(23.4)
5 year	EUR	40.0	March 25, 2008	March 25, 2013	(2.6)	(4.0)
3 year	USD	$ 195.0	September 25, 2007	September 25, 2010		(2.8)
3 year	USD	110.0	March 25, 2008	March 25, 2011	(0.2)	(1.7)
4 year	USD	195.0	September 25, 2007	September 25, 2011	(5.4)	(10.9)
4 year	USD	140.0	March 25, 2008	March 25, 2012	(3.8)	(4.7)
5 year	USD	585.0	September 25, 2007	September 25, 2012	(42.4)	(52.6)
5 year	USD	190.0	March 25, 2008	March 25, 2013	(9.3)	(9.1)
5 year	USD	325.0	December 26, 2008	December 25, 2013	(10.4)	(6.3)
5 year	USD	195.0	September 25, 2009	September 25, 2014	(9.5)	(7.3)
Credit valuation adjustment					1.4	4.4
Total interest rate instruments					$ (102.1)	$ (129.9)

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Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 8 Derivative Instruments and Hedging Activities, Continued.

The interest rate swaps are recorded in other accrued expenses and other long-term liabilities. As a result of cash flow hedge treatment being applied, all unrealized gains and losses related to the derivative instruments are recorded in accumulated other comprehensive income (loss) and are reclassified into operations in the same period in which the hedged transaction affects earnings. Hedge effectiveness is tested quarterly to determine if hedge treatment is still appropriate. The amount of ineffectiveness was not material for any period presented. The tables below summarize the effective portion and ineffective portion of the Company s interest rate swaps for the three and nine months ended February 28, 2011:

(in millions)

Derivatives in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in OCI on Derivative for the Three Months Ended February 28, 2011 (Effective Portion)	Location of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Loss Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing) for the Three Months Ended February 28, 2011
Interest rate swaps, net of tax	$ 13.9	Interest expense	$	Other (income) expense	$

(in millions)

Derivatives in Cash Flow Hedging Relationships	Amount of Gain or (Loss) Recognized in OCI on Derivative for the Nine Months Ended February 28, 2011 (Effective Portion)	Location of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	Amount of Loss Reclassified from Accumulated OCI into Income (Effective Portion)	Location of Loss Recognized in Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing)	Income on Derivative (Ineffective Portion and Amount Excluded from Effectiveness Testing) for the Nine Months Ended February 28, 2011
Interest rate swaps, net of tax	$ 17.1	Interest expense	$	Other (income) expense	$

As of February 28, 2011, the effective interest rate, including the applicable lending margin, on 76.9% ($1,740.0 million) of the outstanding principal of the Company s U.S. dollar term loan was fixed at 6.84% through the use of interest rate swaps. The effective interest rate on 51.4% (435.0 million) of the outstanding principal of the Company s euro term loan was fixed at 7.29% through the use of interest rate swaps. The remaining unhedged balances of the U.S. dollar and euro term loans had effective interest rates of 3.26% and 3.83%, respectively. As of February 28, 2011, the Company s effective weighted average interest rate on all outstanding debt, including the interest rate swaps, was 7.87%.

Derivatives Not Designated as Hedging Instruments

Foreign Currency Instruments The Company faces transactional currency exposures that arise when it or its foreign subsidiaries enter into transactions, primarily on an intercompany basis, denominated in currencies other than their functional currency. Beginning in fiscal 2011, the

Company entered into short-term forward currency exchange contracts in order to mitigate the currency exposure related to these intercompany payables and receivables arising from intercompany trade. The Company does not designate these contracts as hedges; therefore, all forward currency exchange contracts are recorded at their fair value each period, with the resulting gains and losses recorded in other (income) expense. Any foreign currency remeasurement gains or losses recognized in a period are generally offset with gains or losses on the forward currency exchange contracts. As of February 28, 2011, the fair value of the Company s derivatives not designated as hedging instruments on a gross basis were liabilities of $0.2 million recorded in other accrued expenses.

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Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 9 Other Comprehensive Income (Loss).

Other comprehensive income (loss) includes net loss, currency translation adjustments, certain derivative-related activity, changes in the value of available-for-sale investments, and changes in prior service cost from pension plans. The Company generally deems its foreign investments to be essentially permanent in nature and does not provide for taxes on currency translation adjustments arising from translating the investment in a foreign currency to U.S. dollars. When the Company determines that a foreign investment is no longer permanent in nature, estimated taxes are provided for the related deferred tax liability (asset), if any, resulting from currency translation adjustments. As of February 28, 2011, foreign investments were all essentially permanent in duration.

Comprehensive income (loss) and the related components for the three and nine months ended February 28, 2011 and 2010 are included in the table below:

(in millions)	Three Months Ended February 28, 2011	Three Months Ended February 28, 2010	Nine Months Ended February 28, 2011	Nine Months Ended February 28, 2010
Net loss	$ (11.6)	$ (3.1)	$ (37.0)	$ (33.1)
Other comprehensive income (loss), net of tax:				
Unrecognized actuarial gain (loss) on pension assets	0.1	2.1	(1.1)	1.0
Foreign currency translation adjustments	89.9	(118.7)	241.7	40.2
Unrealized gain (loss) on interest rate swaps	13.9	10.0	17.1	2.5
Unrealized gain (loss) on available-for-sale securities	0.5	0.1	(1.1)	1.8
Total other comprehensive income, net of tax	104.4	(106.5)	256.6	45.5
Total comprehensive income (loss)	$ 92.8	$ (109.6)	$ 219.6	$ 12.4

Note 10 Share-based Compensation and Stock Plans.

The Company expenses all share-based payments to employees and non-employee distributors, including stock options and restricted stock units, based on the grant date fair value over the required award service period. Share-based compensation expense recognized for the three months ended February 28, 2011 and 2010 was $5.2 million and $4.8 million, respectively, and $14.6 million and $14.3 million for the nine months ended February 28, 2011 and 2010, respectively.

The Company adopted and approved a Restricted Stock Unit Plan effective January 1, 2011. The purpose of the Plan is to provide executives and certain key employees with the opportunity to receive stock-based performance incentives to retain qualified individuals and to align their interests with the interests of the stockholders. The maximum number of shares of common stock, par value $0.01 per share, that may be issued under the Plan is 4,000,000, subject to adjustment as described in the Plan. Under the terms of the Plan, the Compensation Committee of the Board of Directors may grant participants restricted stock units, each of which represents the right to receive one share of common stock, subject to certain vesting restrictions and risk of forfeiture. There have been 3,750,000 restricted stock units granted as of February 28, 2011 at an average grant date value of $10 per share. Once granted, the restricted stock units will be expensed over the required award service period. The restricted stock units vest under certain time-vesting and liquidity event conditions.

Note 11 Income Taxes.

The Company applies guidance issued by the FASB for uncertainty in income taxes. This guidance prescribes a recognition threshold and measurement attribute for the financial statement recognition and measurement of tax contingencies and the tax position taken, or expected to be taken, in a tax return. The Company records the liability for unrecognized tax benefits (UTBs) as a long-term liability.

The Company conducts business globally and, as a result, certain of its subsidiaries file income tax returns in the U.S. federal jurisdiction, and various state and foreign jurisdictions. In the normal course of business, the Company is subject to examinations by taxing authorities throughout the world, including major jurisdictions such as Australia, Canada, France, Germany, Japan, Netherlands, Spain, the United Kingdom and the United States. In addition, certain state and foreign tax returns are under examination by various regulatory authorities.

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Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 11 Income Taxes, Continued.

The Internal Revenue Service recently completed its examination relating to the Company s U.S. federal income tax returns for the years ended May 31, 2007, July 11, 2007 and the stub year ended May 31, 2008. The Company is no longer subject to U.S. federal income tax examinations for the fiscal years prior to and including the year ended May 31, 2002, as well as May 31, 2005 and May 31, 2006.

The Company regularly reviews issues that are raised from ongoing examinations and open tax years to evaluate the adequacy of its liabilities. As the various taxing authorities continue with their audit/examination programs, the Company will adjust its reserves accordingly to reflect these settlements. During the three and nine months ended February 28, 2011, the gross amount of UTBs increased by approximately $7.7 million and $18.5 million, respectively, as a result of tax positions taken relating to current and prior years. During the three and nine months ended February 28, 2011, the gross amount of UTBs decreased by approximately $0.0 million and $6.1 million, respectively, primarily related to the effective settlement of tax examinations in the three months ended November 30, 2010. Substantially all of the Company s UTBs as of February 28, 2011, if recognized, would affect its effective tax rate. As of February 28, 2011, the Company believes that it is reasonably possible that its worldwide gross liabilities for unrecognized tax benefits may decrease by up to $18 million within the succeeding twelve months due to potential tax settlements.

The Company s effective income tax rate was 55.6% and 60.9% for the three and nine months ended February 28, 2011, respectively, compared to 87.0% and 66.0% for the three and nine months ended February 28, 2010, respectively. The primary factor in determining the Company s effective tax rate is the mix of various jurisdictions in which profits are determined to be earned and taxed. The Company s effective tax rate was higher than the statutory tax rates because the Company was in a loss position in the U.S. while profitable outside the U.S., with the statutory rates outside the U.S. typically lower than that of the U.S federal tax rate. Fluctuations in effective tax rates between comparable periods also reflect the discrete tax benefit or expense of items in continuing operations that represent tax affects not attributable to current-year ordinary income. Examples of potential discrete items include, but are not limited to: changes in estimate relating to prior-year s tax provision; changes to existing uncertain tax benefits due to interpretation of new information; interest and penalties on uncertain tax benefits; changes in tax law; changes in tax status; changes in valuation allowances; and changes in judgment regarding unremitted foreign earnings and other outside basis differences.

Puerto Rico Tax Legislation

On October 25, 2010, the government of Puerto Rico passed legislation that established a new excise tax on the purchases of products manufactured in Puerto Rico, effective January 1, 2011. Puerto Rico has subsequently provided an exemption to the excise tax provided certain employment levels are met. Management anticipates meeting these employment levels and thus expects the Company to be subject to an alternative income tax rather than the excise tax. Management does not expect this new alternative income tax to have a material impact on its financial statements.

United States Tax Legislation

Congress approved and President Obama signed into law *The Tax Relief, Unemployment Insurance Reauthorization, and Job Creation Act of 2010*, enacted December 17, 2010. This legislation includes temporary extensions of several business tax incentives, including the research and experimentation tax credit, the New Markets Tax Credit, 15-year straight-line cost recovery for qualified leasehold improvements, the exception for active financing income under Subpart F and look-through treatment of payments between related controlled foreign corporations. As a result, these extensions were included, where applicable, in determining the Company s annual effective tax rate (AETR) for the three and nine months ended February 28, 2011.

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Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 12 Segment Reporting.

The Company operates in one reportable segment, musculoskeletal products, which includes the designing, manufacturing and marketing of reconstructive products, fixation devices, spinal products and other products. Other products consist primarily of softgoods and bracing products, sports medicine products, general instruments and operating room supplies. The Company manages its business segment primarily on a geographic basis. These geographic markets are comprised of the United States, Europe and International. Major markets included in the International geographic market are Canada, South America, Mexico and the Pacific Rim.

Net sales by product category for the three and nine months ended February 28, 2011 were as follows:

	Three Months Ended February 28,		Nine Months Ended February 28,	
(in millions)	2011	2010[1]	2011	2010[1]
Net sales by product:				
Reconstructive	$ 516.2	$ 513.2	$ 1,535.1	$ 1,516.0
Fixation	58.5	59.4	174.2	178.6
Spinal	55.4	55.1	169.3	170.9
Other	47.9	42.1	138.4	130.0
Total	$ 678.0	$ 669.8	$ 2,017.0	$ 1,995.5

(1) Certain amounts have been adjusted to conform to the current presentation. Specifically, reconstructive product net sales increased, and other product net sales decreased, $4.8 million and $16.4 million for the three and nine months ended February 28, 2010, respectively. Fixation product net sales increased, and spinal product net sales decreased, $1.0 million and $3.3 million for the three and nine months ended February 28, 2010, respectively. The current presentation aligns with how the Company presently manages and markets its products.

Net sales by geographic segment for the three and nine months ended February 28, 2011 were as follows:

	Three Months Ended February 28,		Nine Months Ended February 28,	
(in millions)	2011	2010[1]	2011	2010[1]
Net sales by geographic segment:				
United States	$ 412.4	$ 412.6	$ 1,248.4	$ 1,220.9
Europe	173.0	180.5	499.0	539.3
International	92.6	76.7	269.6	235.3
Total	$ 678.0	$ 669.8	$ 2,017.0	$ 1,995.5

(1) Certain amounts have been adjusted to conform to the current presentation. Specifically, International net sales increased, and Europe net sales decreased, $0.9 million and $3.1 million for the three and nine months ended February 28, 2010, respectively. The current presentation aligns with how the Company presently manages and markets its products.

Long-term assets by geographic segment for the three and nine months ended February 28, 2011 were as follows:

(in millions)	**February 28, 2011**	**May 31, 2010**
Long-term assets[1] by geographic segment:		
United States	$ 7,299.8	$ 7,508.0
Europe	2,114.3	1,939.6
International	1,192.5	1,072.2
Total	$ 10,606.6	$ 10,519.8

(1) Defined as property, plant and equipment, intangibles and goodwill.

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Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 13 Guarantor and Non-guarantor Financial Statements.

Each of the Company s existing wholly-owned domestic subsidiaries fully, unconditionally, jointly, and severally guarantee the senior cash pay and PIK toggle notes on a senior unsecured basis and the senior subordinated notes on a senior subordinated unsecured basis, in each case to the extent such subsidiaries guarantee the Company s senior secured cash flow facilities.

The following financial information in the periods presented illustrates the composition of the combined guarantor subsidiaries:

Condensed Consolidating Balance Sheets

			February 28, 2011		
(in millions)	Biomet, Inc.	Guarantors	Non-Guarantors	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	$	$ 185.9	$ 101.8	$	$ 287.7
Accounts receivable, net		234.7	245.8		480.5
Investments		52.7			52.7
Income tax receivable		3.8	3.5		7.3
Inventories		305.2	412.7	(126.3)	591.6
Deferred income taxes		50.7	6.8		57.5
Prepaid expenses and other		48.0	49.2		97.2
Total current assets		881.0	819.8	(126.3)	1,574.5
Property, plant and equipment, net		351.7	303.5	(9.2)	646.0
Investments		36.7			36.7
Investment in subsidiaries	10,077.1			(10,077.1)	
Intangible assets, net		3,496.7	1,609.9		5,106.6
Goodwill		3,460.7	1,393.3		4,854.0
Other assets		59.4	20.7		80.1
Total assets	$ 10,077.1	$ 8,286.2	$ 4,147.2	$ (10,212.6)	$ 12,297.9
Liabilities & Shareholder s Equity					
Current liabilities:					
Current portion of long-term debt	$ 35.4	$	$ 1.5	$	$ 36.9
Accounts payable		44.8	38.3		83.1
Accrued interest	131.3				131.3
Accrued wages and commissions		46.6	40.7		87.3
Other accrued expenses		145.9	84.7		230.6
Total current liabilities	166.7	237.3	165.2		569.2
Long-term debt, net of current portion	5,943.9		4.2		5,948.1
Deferred income taxes		1,197.5	432.3		1,629.8
Other long-term liabilities		132.8	51.5		184.3
Total liabilities	6,110.6	1,567.6	653.2		8,331.4
Shareholder s equity	3,966.5	6,718.6	3,494.0	(10,212.6)	3,966.5
Total liabilities and shareholder s equity	$ 10,077.1	$ 8,286.2	$ 4,147.2	$ (10,212.6)	$ 12,297.9

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Biomet, Inc. and Subsidiaries Notes to Condensed Consolidated Financial Statements (Unaudited) (continued)

Note 13 Guarantor and Non-guarantor Financial Statements, Continued.

			May 31, 2010		
(in millions)	Biomet, Inc.	Guarantors	Non-Guarantors	Eliminations	Total
Assets					
Current assets:					
Cash and cash equivalents	$	$ 103.5	$ 85.6	$	$ 189.1
Accounts receivable, net		248.7	203.8		452.5
Income tax receivable		18.7	0.5		19.2
Inventories		288.7	283.2	(64.6)	507.3
Deferred income taxes		48.6	15.7		64.3
Prepaid expenses and other		34.5	38.1		72.6
Total current assets		742.7	626.9	(64.6)	1,305.0
Property, plant and equipment, net		374.1	253.8	(5.9)	622.0
Investments		23.3			23.3
Investment in subsidiaries	9,693.9			(9,693.9)	
Goodwill		3,461.4	1,246.1		4,707.5
Intangible assets, net					