BIOMET INC
Form SC 14F1
July 02, 2007
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SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

SCHEDULE 14F 1

Information Statement Pursuant to Section 14(f)

of the Securities Exchange Act of 1934 and Rule 14f 1 thereunder

Commission File Number: 0-12515

BIOMET, INC.

(Exact Name of the Registrant as specified in its corporate charter)

Indiana	**35-1418342**
(State of Incorporation)	(IRS Employer Identification No.)

56 East Bell Drive

Warsaw, Indiana 46582

(Address of principle executive offices)

(574) 267-6639

(Registrant s telephone number, including area code)

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BIOMET, INC.

56 EAST BELL DRIVE

WARSAW, INDIANA 46582

INFORMATION STATEMENT PURSUANT TO SECTION 14(f)

OF THE SECURITIES EXCHANGE ACT OF 1934 AND RULE 14f 1 THEREUNDER

Biomet Is Not Asking Shareholders for a Proxy and

Shareholders Are Requested Not to Send Biomet a Proxy

This Information Statement is being mailed on or about July 2, 2007 to holders of record of common shares without par value (the *Common Shares*) of Biomet, Inc. (*Biomet*) in connection with the transactions described in the Solicitation/Recommendation Statement on Schedule 14D-9 (the *Schedule 14D-9*) filed with the Securities and Exchange Commission (the *SEC*) on June 13, 2007. Capitalized terms used and not otherwise defined herein shall have the meaning set forth in the Schedule 14D-9. You are receiving this Information Statement in connection with the possible appointment of persons designated by LVB (the *Designees*) to Biomet s board of directors (the *Board*). Such appointment is to be made pursuant to an Agreement and Plan of Merger (the *Merger Agreement*), dated as of December 18, 2006 (amended and restated as of June 7, 2007), by and among Biomet, LVB Acquisition, LLC, a Delaware limited liability company (*LVB*), and LVB Acquisition Merger Sub, Inc., an Indiana corporation (*Purchaser*).

This mailing is in respect of the tender offer by Purchaser for all of Biomet s issued and outstanding Common Shares at a price of $46.00 per Common Share, net to the seller in cash, subject to applicable withholding and stock transfer taxes, on the terms and subject to the conditions set forth in the Merger Agreement, Purchaser s offer to purchase, dated June 13, 2007 (the *Offer to Purchase*), and the related letter of transmittal (the *Letter of Transmittal*). Purchaser is a direct wholly-owned subsidiary of LVB and an indirect wholly-owned subsidiary of LVB Acquisition Holding, LLC, a Delaware limited liability company (*Holding*), which is currently controlled by a consortium of private equity funds sponsored by each of The Blackstone Group L.P., Goldman Sachs & Co., Kohlberg Kravis Roberts & Co. L.P. and TPG Capital, L.P. (the *Sponsor Group*).

The consideration offered per Common Share, together with all the terms and conditions of the Purchaser s Offer to Purchase and Letter of Transmittal, is referred to in this Information Statement as the *Offer.* The initial expiration date for the Offer is 12:00 Midnight, New York City time, on July 11, 2007, subject to extension in certain circumstances as required or permitted by the Merger Agreement and applicable rules and regulations of the SEC.

The Offer is conditioned upon, among other things:

- there being validly tendered and not withdrawn before the expiration of the Offer that number of Common Shares of Biomet which, when added to any Common Shares already owned by LVB and its subsidiaries, represents at least 75% of the total number of Common Shares outstanding immediately prior to the expiration of the Offer (this minimum condition as it may be reduced and refers to the Adjusted Minimum Number (as defined below), the *Minimum Condition*); and i

- the proceeds of the debt financing commitments intended to be disbursed upon consummation of the Offer being available for borrowing and the lenders party to the other debt financing commitments entered into in connection with the Offer and the Merger (as defined below) shall not have advised Purchaser that any portion of such other debt financing will not be available at the effective time of the Merger (as defined below), in either case on the terms and conditions set forth in the debt financing commitments, or upon terms and conditions that are no less favorable, in the aggregate, to Purchaser and LVB (the *Funding Condition*).

In addition, the Offer is subject to certain other customary conditions that are described in the Offer to Purchase. At Purchaser s option, Purchaser may decrease the number of Common Shares required to meet the Minimum Condition to the number of Common Shares that, when added to the number of Common Shares owned by LVB, Holding or their affiliates and any person that is party to a voting agreement with Purchaser or LVB, represents at least 75% of the total number of Common Shares then outstanding (the *Adjusted Minimum Number*).

This Information Statement is required by Section 14(f) of the Securities Exchange Act of 1934, as amended (the *Exchange Act*), and Rule 14f-1 thereunder in connection with the possible appointment of LVB s Designees to Biomet s Board.

You are urged to read this Information Statement carefully. You are not, however, required to take any action.

This Schedule Is Being Provided Solely for Informational Purposes

The information contained in this Information Statement (including information herein incorporated by reference) concerning LVB, Purchaser and LVB s Designees has been provided by LVB and not by Biomet.

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General Information

The authorized shares of Biomet consist of 500,000,000 Common Shares and 5,250 Preferred Shares with par value $100.00 per share (the *Preferred Shares*). As of June 1, 2007, there were 245,666,581 Common Shares issued and outstanding and 9,929,843 Common Shares issuable upon or otherwise deliverable in connection with the exercise of outstanding options and no Preferred Shares outstanding.

The Common Shares are the only class of Biomet s voting securities outstanding that is entitled to vote at a meeting of shareholders of Biomet. Each Common Share entitles the record holder to one vote on all matters submitted to a vote of the shareholders.

Background Information

The Offer is being made pursuant to the Merger Agreement. The Merger Agreement is an amendment and restatement to the Agreement and Plan of Merger dated as of December 18, 2006 (the *Original Merger Agreement*) among the same parties.

If the Offer is completed, and subject to the satisfaction or waiver of the conditions set forth in the Merger Agreement and in accordance with the Indiana Business Corporation Law (the *IBCL*), Purchaser will merge (the *Merger*) with and into Biomet, with Biomet continuing as the surviving corporation. At the effective time of the Merger (the *Effective Time*), each Common Share, other than the Common Shares owned by LVB or Purchaser immediately prior to the Effective Time, will automatically be cancelled and will cease to exist and will be converted into the right to receive the same per Common Share consideration, without interest, paid for Common Shares in the Offer. The completion of the transactions contemplated by the Merger Agreement will result in a change of control of Biomet.

All descriptions of the Merger Agreement are qualified in their entirety by reference to the complete text of the Merger Agreement. A copy of the Merger Agreement was filed with the SEC on June 7, 2007 as Exhibit 2.1 to a Current Report on Form 8-K and is incorporated herein by reference.

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Directors and Executive Officers

Right to Designate Directors

The Merger Agreement further provides that, subject to the requirements of the Exchange Act and Rule 14f-1 thereunder and certain other requirements set forth in the Merger Agreement, after Purchaser has made payment pursuant to the Offer for the number of Common Shares that represents at least the Adjusted Minimum Number, Purchaser has the right to designate a number of directors to Biomet s Board, rounded up to the next whole number, that is equal to the product of the total number of directors on the Biomet Board and the percentage that the number of Common Shares beneficially owned by LVB and its affiliates (excluding Common Shares owned by Biomet and its subsidiaries) bears to the total number of Common Shares outstanding. The Merger Agreement also provides, subject to any limitations imposed by applicable laws, including NASDAQ rules and regulations, that individuals designated by Purchaser shall constitute the same percentage of each committee of the Biomet Board as the percentage of the entire Board represented by the individuals designated by Purchaser. In the event that LVB s Designees are appointed or elected to the Board, until the Effective Time of the Merger, the Board shall have at least three independent directors (as defined in the Merger Agreement) who were on the Board of Biomet on June 7, 2007, and certain actions of Biomet may only be authorized by a majority of the independent directors of Biomet (and will not require any additional approval by the Board).

Information with Respect to LVB s Designees

LVB has informed Biomet that LVB will choose its Designees for Biomet s Board from the list of persons set forth below. The following table, prepared from the information LVB furnished to Biomet, sets forth, with respect to each individual who may be designated by LVB as one of its Designees, certain information, including the name, age of the individual as of June 1, 2007, business address and current principal occupation or employment, and material occupations, positions, offices or employment for the past five years.

LVB has advised Biomet that none of LVB s Designees to Biomet s Board, listed below has, during the past five years, (1) been convicted in a criminal proceeding, (2) been a party to any judicial or administrative proceeding that resulted in a judgment, decree or final order enjoining the person from future violations of, or prohibiting activities subject to, U.S. federal or state securities laws, or a finding of any violation of U.S. federal or state securities laws, (3) filed a petition under Federal bankruptcy laws or any state insolvency laws or has had a receiver appointed to the person s property or (4) been subject to any judgment, decree or final order enjoining the person from engaging in any type of business practice. All Designees listed below are citizens of the United States, other than Mr. Fernandes, who is a citizen of India, and Mr. Jones, who is a citizen of Ireland.

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Chinh E. Chu, age 40
Mr. Chu is a Senior Managing Director of The Blackstone Group, which he joined in 1990. Mr. Chu serves on the board of directors of Celanese AG, Financial Guaranty Insurance Company, HealthMarkets, Inc., Nalco Holding Company, Nycomed Holdings and SunGard Data Systems Inc. The business address of Mr. Chu is 345 Park Avenue, New York, New York 10154.

Jonathan J. Coslet, age 42
Mr. Coslet has been a Partner of TPG Capital, L.P. since 1993 and is currently a Senior Partner. Mr. Coslet serves on the board of directors of IASIS Healthcare Corp., The Neiman Marcus Group, Inc., J. Crew Group, Inc. and Quintiles Transnational Corp. The business address of Mr. Coslett is 345 California Street, San Francisco, California 94101.

Michael Dal Bello, age 36
Mr. Dal Bello has been a Principal in the Private Equity Group of The Blackstone Group since December 2005 and from 2002 until December 2005, he was an Associate in this group. Mr. Dal Bello serves on the board of directors of Catalent Pharma Solutions, Inc., Montecito Broadcast Group, LLC, Global Tower Partners, Sithe Global Power, LLC, Team Finance LLC and Vanguard Health Systems, Inc. The business address of Mr. Dal Bello is 345 Park Avenue, New York, New York 10154.

Sean Fernandes, age 33
Mr. Fernandes joined Goldman, Sachs & Co. in the Financial Institution Group, as an Associate in 2000 and he became a Vice President in 2003. He joined the Principal Investment Area in 2007. Mr. Fernandes serves on the board of directors of Signature Hospital LLC. The business address of Mr. Fernandes is 85 Broad Street, New York, New York 10004.

Adrian Jones, age 43
Mr. Jones has been a Managing Director of Goldman, Sachs & Co. since 2002. Mr. Jones serves on the board of directors of Burger King Holdings, Inc., Education Management Corporation, HealthMarkets, Inc. and Signature Hospital LLC. The business address of Mr. Jones is 85 Broad Street, New York, New York 10004.

Michael Michelson, age 56
Mr. Michelson has been a member of the limited liability company that serves as the general partner of Kohlberg Kravis Roberts & Co., L.P. since 1996 and prior thereto, he was a general partner of Kohlberg Kravis Roberts & Co, L.P. Mr. Michelson also serves on the board of directors of Accellent Inc., Jazz Pharmaceuticals, Inc. and HCA Inc. The business address of Mr. Michelson is 2800 Sand Hill Road, Menlo Park, California 94025.

Dane A. Miller, Ph.D., age 61
Dr. Miller is one of the four founders of Biomet and, from 1977 until 2006, he served as President, Chief Executive Officer and a Director of Biomet. Dr. Miller serves on the board of directors of 1st Source Corporation, ForeTravel, Inc., the Indiana Economic Development Corporation, the University of Chicago Health Systems and the World Craniofacial Foundation.

John Saer, age 50
Mr. Saer has been an executive of the limited liability company that serves as the general partner of Kohlberg Kravis Roberts & Co., L.P. since 2001. Mr. Saer also serves on the board of directors of KSL Holdings Corporation. The business address of Mr. Saer is 9 West 57th Street, New York, New York 10019.

Todd Sisitsky, age 35
Mr. Sisitsky has been a Partner of TPG Capital, L.P. since 2007. From 2003 until 2007, he was an Investor at TPG Capital, L.P. From 2001 until 2003, he was an Investor/Associate at Forstmann Little & Co. Mr. Sisitsky serves on the board of directors of IASIS Healthcare Corp. and Fenwal, Inc. The business address of Mr. Sisitsky is 345 California Street, San Francisco, California 94101.

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Each of the above named persons may be designated by LVB and, other than Dr. Miller, is a partner, member or employee of an entity affiliated with one of the investment funds that indirectly own all of the equity interests in LVB. Each of the above named persons (other than Dr. Miller) generally is entitled to be indemnified by such entity for his service on Biomet s Board pursuant to such entities governing documents or other arrangements, in each case in accordance with such entities policies.

None of the Designees is currently a director of, or holds any position with, Biomet. Except as described below, LVB has advised Biomet that none of the Designees or any of his or her affiliates (1) has a familial relationship with any directors or executive officers of Biomet or (2) has been involved in any transactions with Biomet or any of its directors, officers or affiliates which are required to be disclosed pursuant to the rules and regulations of the SEC, except as may be disclosed herein.

Dr. Miller entered into a Separation, Release and Consultancy Agreement with Biomet on May 8, 2006. Pursuant to the terms of the agreement, Dr. Miller received or will receive $4,000,000 on October 1, 2006, $500,000 on November 30, 2006 and $500,000 on the last day of each quarter thereafter through the first quarter of fiscal year 2010 as compensation for his consulting services. The agreement contains certain restrictive covenants prohibiting Dr. Miller from competing with Biomet and soliciting employees of Biomet during the term of the agreement.

Biomet Directors Currently in Office

The following information sets forth, with respect to each individual, the name, age as of June 1, 2007, business address and current principal occupation or employment, and business experience for the past five years of Biomet s Board.

Class I

C. Scott Harrison, M.D., age 70	Director since 1994
Member: Executive, Nominating and Corporate Governance (Chair) and Audit Committees and serves as the lead director of the Board (the *Lead Director*). Dr. Harrison is the founder, President and Chief Executive Officer of CURE International (non-profit organization).	
Sandra A. Lamb, age 62	Director since 2004
Member: Audit and Nominating and Corporate Governance Committees. Ms. Lamb is President and Chief Executive Officer of Lamb Advisors LLC (consulting firm advising nonprofit organizations on strategic alliances and change solutions). Prior to 2003, Ms. Lamb was a managing director at Lazard Freres & Co. LLC (investment banking firm) advising corporate clients on mergers and acquisitions and finance. Ms. Lamb also serves as a director of various nonprofit organizations.	
Kenneth V. Miller, age 59	Director since 1979
Member: Executive and Audit (Chair) Committees. Mr. Miller is a self-employed attorney, venture capitalist and a principal in Havirco (private investment management firm). Mr. Miller is a director and a member of the Compensation Committee of the Board of Directors of TEAM Industries, Inc. (manufacturer of expanded polystyrene products). Mr. Miller is also a member of the Board of Trustees of Western Michigan University, as well as the Chair of the Advisory Board of Haworth College of Business at Western Michigan University. In addition, Mr. Miller serves as a director of various charitable and civic organizations.	

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Niles L. Noblitt, age 56 Director since 1977

Member: Executive Committee. Mr. Noblitt is one of the four founders of Biomet and is the Chairman of the Board. Mr. Noblitt is also a trustee of Rose Hulman Institute of Technology.

Marilyn Tucker Quayle, age 57 Director since 1993

Member: Nominating and Corporate Governance Committee. Ms. Quayle is a director and President of BTC, Inc. (private investment holding company) and a director of booksfree.com. In addition, Ms. Quayle is a director of the Telluride Foundation (non-profit organization).

Class II

Jeffrey R. Binder, age 44 Director since 2007

Member: Executive Committee. Mr. Binder was appointed the President and Chief Executive Officer effective February 26, 2007. Prior thereto, he served as Senior Vice President of Diagnostic Operations of Abbott Laboratories from January 2006 to February 2007. He previously served as President of Abbott Spine from June 2003 to January 2006, and President and Chief Executive Officer of Spinal Concepts from 2000 until June 2003.

Jerry L. Ferguson, age 66 Director since 1978

Member: Executive Committee. Mr. Ferguson is one of the four founders of Biomet and is the Vice Chairman of the Board.

Thomas F. Kearns, Jr., age 70 Director since 1983

Member: Compensation and Stock Option Committee. Mr. Kearns is a retired partner of Bear, Stearns & Co., Inc. (investment banking firm). Mr. Kearns is a trustee of the University of North Carolina Foundation, a director of Fibrogen Corporation (biotechnology company) and a director of the Omega Institute (non-profit organization).

Class III

M. Ray Harroff, age 67 Director since 1977

Member: Nominating and Corporate Governance Committee. Mr. Harroff is one of the four founders of Biomet and is President of Stonehenge Links Village Development (real estate development company).

Jerry L. Miller, age 61 Director since 1979

Member: Executive and Compensation and Stock Option (Chair) Committees. Mr. Miller is a self-employed attorney, venture capitalist and a principal in Havirco (private investment management firm). Mr. Miller is a director and a member of the Compensation Committee of the Board of Directors of AvTech Laboratories, Inc. (pharmaceutical laboratory) and TEAM Industries, Inc. (manufacturer of expanded polystyrene products). In addition, Mr. Miller serves as a director of various charitable and civic organizations.

Charles E. Niemier, age 51 Director since 1987

Mr. Niemier retired as Senior Vice President, Biomet International and Corporate Relations effective June 18, 2007. From July 2006 through April 2007, Mr. Niemier served as President of EBI, L.P. (operating under the assumed name Biomet Spine and Biomet Trauma). Prior thereto, he was Chief Operating Officer International Operations from December 2005 to July 2006 and he was Senior Vice President International Operations of Biomet from 1991 to December 2005. Mr. Niemier is a trustee of Valparaiso University, a member of the Board of Directors of Lakeland Financial Corporation (Lake City Bank) and a member of the Board of Directors of Kosciusko 21st Century Foundation, Inc. (non-profit organization).

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L. Gene Tanner, age 74 Director since 1985

Member: Audit and Compensation and Stock Option Committees. Mr. Tanner is Vice Chairman of the Board of NatCity Investments, Inc. (investment banking firm) and a director of the Indiana Chamber of Commerce. In addition, Mr. Tanner serves as a director of various charitable organizations.

Executive Officers of Biomet

The name, age, business background, positions held with Biomet and tenure as an executive officer of each of Biomet s executive officers as of May 31, 2007 are set forth below. No family relationship exists among any of the executive officers. Except as otherwise stated, each executive officer has held the position indicated during the last five years. Executive officers are elected annually by the Board to serve for one year and until their successors are elected, subject to resignation, retirement or removal. Though Mr. England was an executive officer of Biomet as of May 31, 2007, and therefore appears below, Mr. England has since retired as Chief Operating Officer Domestic Operations of Biomet, Inc. Similarly, though Mr. Niemier was an executive officer of Biomet as of May 31, 2007, and also appears below, Mr. Niemier has since retired as Senior Vice President, Biomet International and Corporate Relations of Biomet, Inc. effective June 18, 2007. In addition, as of the date of this Information Statement, J. Pat Richardson serves as Corporate Vice President Finance and Treasurer of Biomet, Inc. and Daniel P. Florin serves as Senior Vice President and Chief Financial Officer of Biomet, Inc. These appointments, however, were not effective until after May 31, 2007 (the last day of Biomet s 2007 fiscal year) and therefore Mr. Richardson appears below in his position as of May 31, 2007 and Mr. Florin does not appear below.

Jeffrey R. Binder, age 44	President and Chief Executive Officer of Biomet, Inc.	Executive Officer since 2007
President and Chief Executive Officer since February 2007. Prior thereto, he served as Senior Vice President of Diagnostic Operations of Abbott Laboratories from January 2006 to February 2007. He previously served as President of Abbott Spine from June 2003 to January 2006, and President and Chief Executive Officer of Spinal Concepts from 2000 until June 2003.		
Charles E. Niemier, age 51	Senior Vice President, Biomet International and Corporate Relations of Biomet, Inc.	Executive Officer since 1984
Senior Vice President, Biomet International and Corporate Relations. From July 2006 through April 2007, Mr. Niemier served as President of EBI, L.P. (operating under the assumed name Biomet Spine and Biomet Trauma). Prior thereto, he was Chief Operating Officer International Operations from December 2005 to July 2006 and he was Senior Vice President International Operations of Biomet from 1991 to December 2005.		
Garry L. England, age 53	Chief Operating Officer Domestic Operations of Biomet, Inc.	Executive Officer since 1987
Chief Operating Officer Domestic Operations since December 2005. Prior thereto, Senior Vice President Warsaw Operations.		
James W. Haller, age 50	Controller of Biomet, Inc. and Vice President Finance of Biomet Orthopedics, Inc.	Executive Officer since 1991
Controller and Vice President Finance of Biomet Orthopedics, Inc. since June 2001.		

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Roger P. Van Broeck, age 58	Vice President of Biomet, Inc. and President of Biomet Europe	Executive Officer since 2004
Vice President since July 2004, and President of Biomet Europe since March 2004. Prior thereto Chief Executive Officer of BioMer C.V. and Biomet Merck B.V.		
Steven F. Schiess, age 47	Vice President of Biomet, Inc. and President of Implant Innovations, Inc.	Executive Officer since 2005
Vice President and President of Implant Innovations Inc. since June 2005. Prior thereto, Senior Vice President, Sales and Marketing of Implant Innovations, Inc.		
Bradley J. Tandy, age 48	Senior Vice President, General Counsel and Secretary of Biomet, Inc.	Executive Officer since 2006
Senior Vice President, General Counsel and Secretary since April 2007. Prior thereto, Senior Vice President, Acting General Counsel and Secretary from January 2007 to April 2007 and Senior Vice President, Acting General Counsel, Secretary and Corporate Compliance Officer from March 2006 to January 2007. He previously served as Vice President, Assistant General Counsel and Corporate Compliance Officer.		
Thomas R. Allen, age 54	President of Biomet International	Executive Officer since 2006
President of Biomet International since June 2006. Prior thereto, Vice President The Americas and Asia Pacific for Biomet Orthopedics, Inc.		
Richard J. Borror, age 48	Chief Information Officer and Corporate Vice President for Manufacturing of Biomet, Inc.	Executive Officer since 2006
Chief Information Officer and Corporate Vice President for Manufacturing since April 2006. Corporate Vice President for Manufacturing from December 2005 to April 2006. Prior thereto, Vice President Manufacturing for Biomet Manufacturing Corp.		
Gregory W. Sasso, age 45	Senior Vice President Corporate Development and Communications of Biomet, Inc.	Executive Officer since 2006
Senior Vice President Corporate Development and Communications since June 2006. Prior thereto, Vice President Corporate Development and Communications of Biomet, Inc.		
Darlene Whaley, age 50	Senior Vice President Human Resources of Biomet, Inc.	Executive Officer since 2006
Senior Vice President Human Resources since June 2006. Prior thereto, Vice President Human Resources.		
William C. Kolter, age 49	President Biomet Orthopedics, Inc.	Executive Officer since 2006
President, Biomet Orthopedics, Inc. since December 2005. Prior thereto, Vice President Marketing of Biomet Orthopedics, Inc.		
J. Pat Richardson, age 46	Vice President Finance, Interim Chief Financial Officer and Treasurer of Biomet, Inc.	Executive Officer since 2007
Vice President Finance, Interim Chief Financial Officer and Treasurer of Biomet, Inc. since April 2007. Prior thereto, Mr. Richardson served in financial leadership positions within various Johnson & Johnson business units (Cordis: Vice President, Finance Cardiology from August 2000 to April 2007 and Group Controller Cardiology from April 2004 to August 2006; DePuy Orthopaedics: Vice President, Finance Orthopaedics from June 1997 to April 2004).		
Glen A. Kashuba, age 44	Senior Vice President of Biomet, Inc. and President of Biomet Trauma & Spine	Executive Officer since 2007
Senior Vice President and President of Biomet Trauma & Spine since April 2007. Prior thereto, Mr. Kashuba served as Worldwide President of Cordis Endovascular, a division of Johnson & Johnson. Mr. Kashuba had been with Johnson & Johnson since 1998, also holding the positions of Worldwide President of Codman Neuro Science (from December 2002 to November 2005) and U.S. President of DePuy AcroMed, now known as DePuy Spine.		

For information about pending legal proceedings against certain of Biomet s current directors and executive officers, see Legal Proceedings below.

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Board of Directors and Corporate Governance

Number of Meetings

The Board met 20 times during Biomet s 2007 fiscal year. Each director attended at least 75% of the total number of meetings of the Board and committees on which he or she served during Biomet s 2007 fiscal year.

Attendance at Annual Meetings of Shareholders

At this time, the Board does not have a formal policy requiring that directors attend the Annual Meeting of Shareholders. However, it is customary for directors to attend annual meetings of shareholders, absent exceptional circumstances, and all directors properly nominated for election are expected to attend annual meetings of shareholders. All directors, other than Thomas F. Kearns, Jr., attended the 2006 Annual Meeting of Shareholders.

Director Independence

At the end of Biomet s 2007 fiscal year, ten of Biomet s twelve directors were non-employee directors. Mr. Niemier, in connection with his separation and retirement agreement, has remained a member of the Biomet Board as a non-employee director since his retirement from Biomet as an executive officer on June 18, 2007. Although Biomet has not adopted formal standards of materiality for independence purposes (other than those set forth in The Nasdaq Stock Market listing standards), information provided by the directors and Biomet did not indicate any material relationships that would impair the independence of any of the non-employee directors. As of June 1, 2007, the Board has determined that 8 of its 10 non-employee directors (C. Scott Harrison, M.D., M. Ray Harroff, Thomas F. Kearns, Jr., Sandra A. Lamb, Jerry L. Miller, Kenneth V. Miller, L. Gene Tanner and Marilyn Tucker Quayle) satisfy the independence standards set forth in The Nasdaq Stock Market listing standards.

Executive Sessions of Non-Employee Directors

The Board holds meetings of its non-employee directors in conjunction with each regularly scheduled meeting. The Lead Director serves as the chair of these meetings.

Communications Between Shareholders and the Board

The Board has not established a formal process for shareholders to send communications to the Board because the Board does not believe that a specific process is necessary at this time. All Board members, including their committee assignments, are identified each year in Biomet s proxy statement for its annual meeting of shareholders. Communications that are intended for members of the Board may be sent to the attention of the Secretary of Biomet at P.O. Box 587, Warsaw, Indiana 46581-0587, with a cover letter indicating to whom the correspondence is directed. All mail received will be opened and screened for security purposes. Correspondence that is determined to be appropriate and within the purview of the Board will be delivered to the respective Board member to which the communication is addressed. Mail addressed to outside directors or non-employee directors will be delivered to the Lead Director. Mail addressed to the Board of Directors will be delivered to the Chairman of the Board.

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Code of Business Conduct and Ethics

Biomet has adopted a Code of Business Conduct and Ethics (the *Code*) that applies to all of its employees, officers, and directors, including its Chief Executive Officer, Chief Financial Officer and Controller, as well as certain other personnel associated with Biomet. All Biomet team members, including the aforementioned individuals and the Board, are required to comply with the Code. The Code is based on five broad corporate values that shape Biomet s business practices: (a) Legal/Compliance Obligations, (b) Integrity, (c) Respect for People, (d) Dedication to Quality and (e) Stewardship. The Code also includes a procedure for reporting any potential violations of the Code and a process for investigating and resolving any potential violations. A copy of the Code is available on Biomet s website at www.biomet.com or a copy may also be requested free of charge by contacting Biomet s Investor Relations Department at Biomet, Inc., P.O. Box 587, Warsaw, Indiana 46581-0587 or at (574) 372-1514.

Board Committee Membership

The Board has four standing committees. Furthermore, the Board has determined that the membership of each of the committees, not including the Executive Committee, consists only of directors who, in the judgment of the Board, are independent within the meaning of The Nasdaq Stock Market listing standards. The table below provides membership and meeting information for each of these committees during the 2007 fiscal year.

Name	Executive Committee	Audit Committee	Nominating and Corporate Governance Committee	Compensation and Stock Option Committee
Jeffrey R. Binder (1)	X			
Jerry L. Ferguson	X			
Daniel P. Hann (2)	X			
C. Scott Harrison, M.D.	X	X	Chair	
M. Ray Harroff			X	
Thomas F. Kearns, Jr.				X
Sandra A. Lamb		X	X	
Dane A. Miller, Ph.D. (3)				
Jerry L. Miller	X			Chair
Kenneth V. Miller	X	Chair		
Charles E. Niemier				
Niles L. Noblitt	Chair			
Marilyn Tucker Quayle			X	
L. Gene Tanner		X		X
2007 Meetings	22	11	3	7

(1) On February 26, 2007, Biomet announced the appointment of Mr. Binder to the Board.

(2) On March 30, 2007, Biomet announced Mr. Hann s resignation from the Board.

(3) On September 20, 2006, Dr. Miller s term as a Class II member of the Board expired.

The *Executive Committee* has full authority from the Board to conduct business within the limits prescribed by Indiana law.

The *Compensation and Stock Option Committee* is responsible for administering the compensation programs and stock option plans for Biomet s executive officers and employees.

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Presently, no member of the Compensation and Stock Option Committee participates in any of these plans with the exception that each of the non-employee director members is eligible to receive an option to purchase Common Shares at the beginning of each calendar year.

The *Audit Committee* is primarily responsible for assisting the Board in fulfilling its legal and fiduciary obligations as these obligations relate to Biomet s accounting policies, auditing, internal controls, financial reporting practices and compliance with laws, regulations and the Code. The Audit Committee fulfills this responsibility by reviewing the financial reporting process, the systems of internal control, the audit process and Biomet s process for monitoring compliance with laws and regulations and with the Code. The Audit Committee also establishes policies and makes recommendations to the Board with respect to the approval of transactions between Biomet and its directors, officers and employees; reviews and approves any related-party transactions; appoints Biomet s independent accountants; and reviews Biomet s compliance with applicable laws, regulations and internal procedures. In performing its duties, the Audit Committee will maintain effective working relationships with the Board, management, the internal audit staff and the independent accountants.

The Audit Committee and the Board have determined that each of the members of the Audit Committee qualifies as an audit committee financial expert within the meaning of the rules and regulations of the SEC. The Audit Committee operates pursuant to its charter adopted July 19, 2006, a copy of which is available in the Corporate Governance section of Biomet s website at www.biomet.com. To effectively perform his or her role, each committee member seeks to obtain an understanding of the detailed responsibilities of committee membership, as well as Biomet s business, operations and risks.

The *Nominating and Corporate Governance Committee* is responsible for, among other things, receiving and reviewing recommendations for nominations to the Board; establishing eligibility criteria and procedures for identifying potential nominees to the Board; and recommending individuals as nominees for election to the Board. The Nominating and Corporate Governance Committee also provides recommendations to the Board with respect to director nominees for each Board committee; providing oversight of the corporate governance affairs of the Board and Biomet; and assisting in the evaluation of the Board, its committees and the individual directors.

The Nominating and Corporate Governance Committee has no fixed process for identifying and evaluating potential candidates to be nominees. Likewise, the Nominating and Corporate Governance Committee has no fixed set of qualifications that must be satisfied before a candidate will be considered. Rather, the Nominating and Corporate Governance Committee has the flexibility to consider such factors as it deems appropriate. These factors may include education, diversity, experience with businesses and other organizations of comparable size to Biomet, the interplay of the candidate s experience with that of other members of the Board and the extent to which the candidate would be a desirable addition to the Board and any Board committees. In addition, during the 2007 fiscal year, the Nominating and Corporate Governance Committee engaged Heidrick & Struggles, Inc. and The McLoughlin Company to assist it in its search for certain executives, including Jeffrey R. Binder who became a Board member on February 26, 2007. For information about certain changes in Biomet s management, refer to Executive Compensation Compensation Discussion and Analysis Changes in Senior Management During the 2007 Fiscal Year below.

The Nominating and Corporate Governance Committee will consider for nomination as directors persons recommended by shareholders provided that such recommendations are in writing and delivered to the attention of the Secretary of Biomet, P.O. Box 587, Warsaw, Indiana 46581-0587, and delivered to, or mailed and received at, such address not less than 60 days nor more than 90 days prior to an Annual Meeting of Shareholders. In the event that less than 70 days notice or prior public disclosure of the date of the Annual Meeting is given or made to shareholders, any notice of nomination by a shareholder must be received no later than the close of business on the tenth day following the day on which such notice of the date of the meeting was mailed or such public disclosure was made. The Nominating and Corporate Governance Committee will evaluate nominees for director submitted by shareholders in the same manner in which it evaluates other director nominees. If the Merger Agreement is approved and the Offer and the Merger are completed, Biomet will no longer have any public shareholders and will not hold an annual meeting of shareholders in 2007. However, if the Merger Agreement is not approved or the Offer and the Merger are not completed, Biomet expects to hold the 2007 Annual Meeting of Shareholders during the fourth quarter of 2007.

The Nominating and Corporate Governance Committee operates pursuant to its charter adopted July 19, 2006, a copy of which is available in the Corporate Governance section of Biomet s website at www.biomet.com. A free copy may also be requested by contacting Biomet s Investor Relations Department at P.O. Box 587, Warsaw, Indiana 46581-0587 or at (574) 372-1514.

Special Committees of the Board

In addition to its standing committees, Biomet established three special committees of the Board during the 2007 fiscal year. On September 21, 2006, Biomet formed the *Executive Search Committee* in connection with the then ongoing evaluation of potential new senior executives of Biomet. For information on certain changes of Biomet s management team during the 2007 fiscal year, refer to Executive Compensation Compensation Discussion and Analysis Changes in Senior Management During the 2007 Fiscal Year below.

On November 7, 2006, Biomet established the *Strategic Alternatives Committee* of the Board to facilitate the development of any and all offers for Biomet in connection with the Board s consideration of strategic alternatives and to monitor and oversee the implementation any particular strategic alternative determined to be in the best interests of Biomet.

Also on November 7, 2006, Biomet established the *Special Litigation Committee* in respect of shareholder-derivative lawsuits filed in connection with Biomet s review of historical stock option granting practices. For information about certain events in connection with these lawsuits, refer to Legal Proceedings Litigation Relating to Review of Historical Stock Option Granting Practices below.

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Section 16(a) Beneficial Ownership Reporting Compliance

Section 16(a) of the Exchange Act requires Biomet s directors, executive officers and persons who own more than 10 percent of a registered class of Biomet s equity securities to file with the SEC initial reports of ownership and reports of changes in ownership of Biomet Common Shares and other equity securities. Officers, directors and greater-than-ten percent shareholders are required by SEC regulations to furnish Biomet with copies of all Section 16(a) forms filed by them.

During the fiscal year ended May 31, 2007, to Biomet s knowledge, based solely on the review of the copies of such reports furnished to Biomet and written representations that no other reports were required, all Section 16(a) filing requirements applicable to its officers, directors and greater-than-ten percent beneficial owners were complied with on a timely basis, except that a Form 4 for each of Messrs. Allen, Haller, Kolter, Schiess, Sasso and Tandy and Ms. Whaley was filed late on April 10, 2007 to report the exercise of stock options by each of these individuals. The exercise of stock options for each individual occurred on April 5, 2007.

Compensation Committee Report

As detailed in its charter, the Compensation and Stock Option Committee oversees Biomet s compensation program on behalf of the Board. In the performance of its oversight function, the Compensation and Stock Option Committee, among other things, reviewed and discussed with management the Compensation Discussion and Analysis set forth in this Information Statement.

Based upon the review and discussions referred to above, the Compensation and Stock Option Committee recommended to the Board that the Compensation Discussion and Analysis be included in this Information Statement.

Respectfully submitted,

Compensation and Stock Option Committee

Jerry L. Miller, Chair

Thomas F. Kearns, Jr.

L. Gene Tanner

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Executive Compensation

Compensation Discussion and Analysis

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

Compensation and Stock Option Committee and Compensation Methodology

The Compensation and Stock Option Committee of the Board is responsible for administering the compensation and benefit programs for Biomet s team members, including the executive officers. The Compensation and Stock Option Committee annually reviews and evaluates cash compensation and stock option award recommendations along with the rationale for such recommendations, as well as summary information regarding the aggregate compensation, provided to Biomet s executive officers. The Compensation and Stock Option Committee examines these recommendations in relation to Biomet s overall objectives and makes compensation recommendations to the Board for final approval. The Compensation and Stock Option Committee also sends to the Board for approval its recommendations on compensation for the Chairman of the Board and the President and Chief Executive Officer, who do not participate in the decisions of the Board as to their compensation packages. Neither the Chairman of the Board nor the President and Chief Executive Officer is a member of the Compensation and Stock Option Committee.

Traditionally, Biomet has not hired a compensation consultant to review its compensation practices. In connection with change in control agreements entered into between Biomet and certain members of its senior management team, Biomet engaged The Kinsley Group, an independent compensation consultant, primarily to provide guidance to the Board on the terms of the agreements and relevant practices of the marketplace. The Kinsley Group also provided an evaluation of Biomet s compensation practices with respect to the compensation paid to certain members of Biomet s senior management team and members of the Board. More recently, Biomet has engaged The Kinsley Group to provide a more comprehensive evaluation of Biomet s compensation practices and to offer additional research capabilities and expertise in designing and operating executive compensation programs. This review is ongoing and has not yet been completed.

Prior to the engagement of The Kinsley Group, the compensation of Biomet s executives was determined by the Compensation and Stock Option Committee after consideration of an informal peer group consisting of some of Biomet s competitors through publicly available filings, such as proxy statements filed with the SEC. However, the Compensation and Stock Option Committee did not engage in formal benchmarking during this informal review or in

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making compensation decisions. Among the companies that Biomet used for its informal peer group analysis are:

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

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

Executive Compensation Philosophy and Objectives

Biomet s current executive compensation policies and practices reflect the compensation philosophies of Biomet s founders. Biomet s executive compensation practices and policies are designed to help achieve the superior performance of Biomet s executive officers and management team by accomplishing the following goals:

- Attracting, retaining and rewarding highly-qualified and productive persons;
- Relating compensation to both company and individual performance;
- Establishing compensation levels that are internally equitable and externally competitive; and
- Encouraging an ownership interest and instilling a sense of pride in Biomet, consistent with the interests of Biomet s shareholders.

The Compensation and Stock Option Committee firmly believes that all team members play a critical role in Biomet s success and, therefore, all team members are eligible to participate in Biomet s cash and equity compensation plans. The Compensation and Stock Option Committee continues to believe in one of Biomet s founding philosophies: equity incentives in the form of stock options are an excellent motivation for all team members, including executive officers, and serve to align the interests of team members, management and shareholders.

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

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The Elements of Biomet s Compensation Program

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

Base Salary. Consistent with the Compensation and Stock Option Committee s consideration of Biomet s informal peer group, Biomet s practice is to provide base salaries at rates that it believes to be comparable with positions of executives in the orthopedics industry of similar responsibility to Biomet executives and other companies of similar size to Biomet. The Compensation and Stock Option Committee makes a recommendation to the Board concerning the appropriate base salary for each executive officer based on Biomet s performance, the executive officer s performance, Biomet s future objectives and challenges and the current competitive environment. The Board sets the base salary for each executive officer at the beginning of each calendar year, after receiving a recommendation from the Compensation and Stock Option Committee. In connection with the ongoing comprehensive evaluation of Biomet s compensation practices by The Kinsley Group, Biomet may redesign certain aspects of its compensation program, which may affect future base salary determinations, depending on the results of this evaluation. Presently, Biomet considers its base salaries to be in line with its compensation objectives.

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

The annual cash bonuses payable to Biomet s NEOs for the 2007 fiscal year are as follows:

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

- pursuant to the separation and retirement agreement dated May 31, 2007 between Biomet and Mr. England, Mr. England will receive either 100% of his target bonus if the transactions contemplated by the Merger Agreement are consummated or, if the Merger Agreement is terminated or the transactions contemplated by the Merger Agreement are not consummated within six months of the effective date of Mr. England s separation from Biomet, Mr. England will receive an annual cash bonus payment equal to 94% of his target bonus;

- pursuant to his separation and retirement agreement dated June 6, 2007, Mr. Niemier will receive 100% of his target bonus;

- pursuant to the retirement and consulting agreement dated March 30, 2007 between Biomet and Mr. Hann, subject to certain conditions Biomet agreed to pay Mr. Hann $133,333 in full discharge of Mr. Hann s annual cash bonus for Biomet s 2007 fiscal year (prior to his retirement on March 30, 2007, Mr. Hann had also received, and was permitted to retain, $200,000, which represents 50% of his target annual cash bonus for the 2007 fiscal year, which was paid out in December 2006);

- pursuant to the retirement and consulting agreement dated March 30, 2007 between Biomet and Mr. Hartman, Mr. Hartman agreed to forfeit the remaining unpaid portion of his annual cash bonus for Biomet s 2007 fiscal year (prior to his retirement on March 30, 2007, Mr. Hartman had also received, and was permitted to retain, $156,000, which represents 50% of his target annual cash bonus for the 2007 fiscal year, which was paid out in December 2006); and

- upon the Compensation and Stock Option Committee s recommendation, the Board approved an annual cash bonus payment to Mr. Van Broeck equal to 97.5% of his target bonus, which was generally a higher percentage than other executive officers due to Biomet s European operations exceeding Biomet s other significant business units in terms of sales and revenue.

Stock Options. Stock options have always been an element of Biomet s long-term incentives program. The primary purpose of stock options is to provide executive officers and other team members with a personal and financial interest in Biomet s success through Common Share ownership, thereby aligning the interests of executive officers and other team members with those of Biomet s shareholders. Biomet s broad-based stock option program was intended to further Biomet s goal of motivating outstanding long-term contributions by team members within all levels of Biomet. The Compensation and Stock Committee believes that stock options help to create an entrepreneurial environment within Biomet and instill the spirit of a small company. Additionally, the Compensation and Stock Option Committee believes stock options provide broad incentives for the day-to-day achievements of all team members in order to sustain and enhance Biomet s long-term performance.

Stock option awards are based on an individual s level of responsibility, contribution, length of service and total number of Common Shares owned in relation to other executive officers. All team members are eligible to receive stock options, including all hourly team members of Biomet and its subsidiaries in the United States and most other countries, who are eligible to receive a stock option after just two years of service with Biomet or one of its subsidiaries.

Under the stock option plans, options may also be granted to key employees, non-employee directors and distributors, at the discretion of the Compensation and Stock Option Committee,

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and generally become exercisable in annual or biannual increments beginning one or two years after the date of grant in the case of employee options and in annual increments beginning at the date of grant for distributor options. The term of each option granted expires within the period prescribed by the Compensation and Stock Option Committee, but shall not be more than five years from the date the option is granted if the optionee is a 10% or more shareholder, and not more than ten years for all other optionees. All rights under the options automatically terminate upon the optionee s separation from service with Biomet, unless such separation results from retirement, disability or death. For information about Biomet s historical stock option granting practices, refer to Legal Proceedings Litigation Relating to Review of Historical Stock Option Granting Practices.

During the 2005 and 2006 fiscal years, Biomet also granted conditional performance stock option awards, which conditioned the number of Common Shares earned by the award recipient on Biomet s shareholder return over a three-year period against Biomet s informal peer group discussed above. Based on Biomet s performance over this three-year period, the recipient could earn between zero Common Shares and 150% of the target number of Common Shares provided for in the conditional performance grant. At the completion of the three-year performance period, the earned option remains exercisable for two years before the option expires. During the 2007 fiscal year, Biomet did not grant any conditional performance option awards.

As of May 31, 2007, Biomet had two stock option plans with Common Shares available for grant: the Biomet, Inc. 1998 Qualified and Non-Qualified Stock Option Plan (the *1998 Plan*) and the Biomet, Inc. 2006 Equity Incentive Plan (the *2006 Plan*). However, in connection with certain limitations placed on Biomet under the Merger Agreement, Biomet is not currently granting stock option awards. Moreover, since the terms of the Original Merger Agreement provided, and the terms of the Merger Agreement provide, that all unexercised options are cashed out if the transactions contemplated thereby are completed, grants of stock options would offer no retentive value to members of senior management. For further details regarding the treatment of stock options in connection with the Offer, refer to the Offer to Purchase, The Offer Section 11. Purpose of the Offer and Plans for Biomet; Merger Agreement. Biomet did not grant stock options to recently hired members of its senior management team, including Messrs. Binder and Richardson, as a result of the limitations under the Original Merger Agreement in effect at the time Biomet hired Messrs. Binder and Richardson. Biomet has agreed, however, to make certain equity awards to Messrs. Binder and Richardson in the event that the Merger Agreement is terminated. For a description of these agreements, refer to Employment Agreements and Potential Post-Termination Payments Employment Agreement with Jeffrey R. Binder and Employment Agreements and Potential Post-Termination Payments Offer Letter to J. Pat Richardson below.

If the transaction contemplated by the Merger Agreement is not consummated, Biomet s Human Resources, Legal and Finance departments will, prior to Biomet s resumption of the issuance of stock option awards, be provided additional training and education designed to ensure that relevant individuals involved in the administration of stock option awards understand the terms of Biomet s equity-based award plans and the relevant accounting guidance for stock options and other share-based payments. In addition, such departments will develop, prior to Biomet s resumption of the issuance of stock option awards, formal, documented stock option granting procedures and practices to ensure systematic approval and execution of stock option awards and the proper recording of such grants in Biomet s stock administration records and financial statements.

Perquisites. The Compensation and Stock Option Committee believes that it has taken a reasonable approach to perquisites relative to other companies in its industry, such as the companies discussed above as its informal peer group. Biomet s CEO and other NEOs are generally permitted, when practical, to use company aircraft for business and personal travel for security reasons. On a case by case basis, Biomet may reimburse executives for social club dues or offer to provide a travel allowance in connection with Biomet-related travel or relocation assistance to certain members of its senior management team who relocate their principal residence at Biomet s request. For example, Biomet may, at times, provide reimbursement of moving expenses, offer protection against a loss on the sale of the executive s home or provide tax gross ups for certain capital gains recognized by executives on the sale of the executive s home. Typically, however, Biomet does not provide tax gross ups on perquisites.

Health and Welfare Benefits. The NEOs receive similar benefits to those provided to all other salaried U.S. employees, such as medical, dental, vision, life insurance and disability coverage.

Post-Termination Compensation and Management Continuity Agreements. As described in further detail below, during the 2007 fiscal year, the NEOs were provided arrangements which specified payments in the event the executive s employment is terminated. The type and amount of payments vary by executive level and the nature of the termination. These severance benefits, which are competitive with the companies discussed above as Biomet s informal peer group and general industry practices, are payable if and only if the executive s employment terminates as specified in the applicable plan document or employment agreement. For more information, refer to Employment Agreements and Potential Post-Termination Payments.

Historically, Biomet did not offer management continuity agreements to members of senior management. During the 2007 fiscal year, however, Biomet engaged The Kinsley Group to assist with the preparation of and execution of change in control agreements with members of Biomet s senior management team. These agreements were intended to provide for continuity of management in the context of a prospective change in control of Biomet. These agreements were necessary to reinforce and encourage the continued attention and dedication of members of Biomet s senior management to their assigned duties without distraction in the face of potentially disturbing circumstances arising from the possibility of a change in control. For certain NEOs, namely Messrs. Hartman, Hann, England and Niemier, original change in control agreements executed with Biomet on September 20, 2006 were subsequently superceded or modified in connection with their retirement. For further information on the terms of the change in control agreements, refer to Employment Agreements and Potential Post-Termination Payments Change in Control Agreements below.

Retirement Plans. Biomet does not sponsor or maintain any pension plans applicable to its U.S.-based NEOs, however, Biomet has defined benefit retirement plans for certain of its foreign subsidiaries, discussed herein as its *foreign pension plans*, which cover certain of its overseas employees. One of these foreign pension plans is applicable to Mr. Van Broeck and sponsored by Biomet Europe B.V. (*Biomet Europe*). Biomet Europe provides all employees, whether salaried or hourly, with the opportunity to build up benefits under pension plans as part of Biomet Europe s standard conditions for working in the Netherlands in order to provide a level of retirement benefits competitive with European market conditions. The benefits under this foreign pension plan are generally based on years of service and a calculation of the employee s weighted average final base salary. Detailed explanations of these terms and calculations can be found in the narrative discussion accompanying the Pension Benefits Table. The investment objective is to enable a fixed, guaranteed payout to the employee at the time of the employee s retirement, except, in the case of Mr. Van Broeck, for a moderate profit-sharing provision, which may affect him by providing an additional benefit based on the collective return of the plan assets. The assets covered by the pension plan are managed by independent investment professionals, however, due to the guaranteed payout, policy holders are relatively unaffected by poor performance and affected only by positive investment returns under the profit-sharing provision. The net assets of these foreign pension plans did not include any of Biomet s Common Shares as of April 30, 2007 (the same measurement dates used for the 2007 fiscal year with respect to Biomet s foreign subsidiaries). For information about Mr. Van Broeck s pension benefits, refer to the Pension Benefits Table in Executive Compensation Tables Retirement And Non-Qualified Defined Contribution And Deferred Compensation Plans Pension Plans below.

Biomet s executive officers are eligible to participate in Biomet s 401(k) Plan. All team members residing in the United States who are at least 18 years of age and complete at least 90 days of continuous service or work at least 1,000 hours per year are also eligible to participate in the 401(k) plan. Each year Biomet, in its sole discretion, may match 75% of each team member s contributions, up to a maximum amount equal to 5% of the team member s compensation, either in cash or in Common Shares. All contributions to the 401(k) Plan are allocated to accounts maintained on behalf of each participating team member and, to the extent vested, are available for distribution to the team member or beneficiary upon retirement, death, disability or termination of service. Historically, the 401(k) Plan has purchased Common Shares with Biomet s matching contribution.

Executive officers have also historically participated in Biomet s Employee Stock Bonus Plan (the *ESBP*), which was merged into and with Biomet s 401(k) Plan during the 2007 fiscal year. Under the ESBP, Biomet could make contributions to the ESBP in the form of Common Shares or cash in such amounts, if any, as it determined in its sole discretion, and participating team members could make voluntary contributions to the ESBP in amounts up to 10% of their annual compensation. Historically, Biomet had made contributions to the ESBP equal to 3% of each team member s annual base salary, up to the maximum amount permitted by

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applicable Internal Revenue Service regulations. The funds accumulated under the ESBP were invested by the trustee primarily in Biomet Common Shares.

In addition, Biomet maintains The Biomet, Inc. Deferred Compensation Plan (the *Deferred Compensation Plan*), a non-qualified deferred compensation plan, which is available for Biomet s senior management and members of the Board. The Deferred Compensation Plan allows eligible participants to defer pre-tax compensation to reduce current tax liability and assist those team members in their planning for retirement and other long-term savings goals in a tax-effective manner. Biomet does not make any contributions to the Deferred Compensation Plan. Under the Deferred Compensation Plan, eligible participants may defer up to 100% of their base salary and cash bonus payments, as well as Board fees for non-employee directors, as applicable. Scheduled distributions from the Deferred Compensation Plan are available, and penalty-free, but treated as ordinary income subject to federal and state income taxation at the time of distribution. Except in circumstances of hardship, unscheduled withdrawals are not permitted. Amounts contributed to the Deferred Compensation Plan are at the participant s election and deemed investments, which means that the participants have no ownership interest in the investment alternative selected. The participants deferrals and gains are reflected on Biomet s financial statements and are unsecured general assets of Biomet. The Deferred Compensation Plan is an unfunded future promise to pay on behalf of Biomet. Neither Biomet nor the Deferred Compensation Plan record-keeper provides any guarantee of investment return. Biomet does not pay above-market interest rates on deferred amounts of compensation. For more information, refer to Executive Compensation Tables Retirement and Non-Qualified Defined Contribution and Deferred Compensation Plans Non-Qualified Defined Compensation below.

Role of Management in Compensation Decisions. The Compensation and Stock Option Committee annually reviews and evaluates recommendations made by the Chairman of the Board and the President and Chief Executive Officer for the executive officers (other than for themselves) along with the rationale for such recommendations and the summary information regarding aggregate compensation provided to Biomet s executive officers. The Compensation and Stock Option Committee examines these recommendations in relation to Biomet s overall objectives and makes compensation recommendations to the Board for final approval. The Compensation and Stock Option Committee also sends to the Board for approval its recommendations on compensation for the Chairman of the Board and the President and Chief Executive Officer, who do not participate in the decisions of the Board as to their compensation packages. Neither the Chairman of the Board nor the President and Chief Executive Officer is a member of the Compensation and Stock Option Committee.

Common Share Ownership Guidelines. In past years, Biomet has not adopted guidelines with respect to its senior management team s ownership of Common Shares. More recently, the Board has considered adopting such a policy for members of senior management, however, these discussions were discontinued upon execution of the Original Merger Agreement.

Policy with Respect to Deductibility of Compensation Over $1 Million. Section 162(m) of the Internal Revenue Code of 1986 generally limits to $1 million the tax deductibility of annual compensation paid to certain executives named in the Summary Compensation Table in this

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Information Statement. However, performance-based compensation can be excluded from this limit if it meets certain requirements. The Compensation and Stock Option Committee s policy is to consider the impact of Section 162(m) in establishing compensation for Biomet s senior executives. However, it retains the discretion to establish compensation, even if such compensation is not deductible under Section 162(m), if, in the Compensation and Stock Option Committee s judgment, such compensation is in the best interest of Biomet and is reasonably expected to increase shareholder value.

Accounting for Stock-Based Compensation. Biomet adopted SFAS No. 123(R), Share-Based Payment, (*SFAS 123(R)*) on June 1, 2006 using the modified prospective method. SFAS 123(R) requires all share-based payments to employees, including stock options, to be expensed based on their fair value over the required award service period. Biomet uses the straight line method to recognize compensation expense related to share-based payments. In the prior year, Biomet was governed by Accounting Principles Board No. 25, Accounting for Stock Issued to Employees, in accounting for its stock option awards to employees.

Under the modified prospective method, the provisions of SFAS 123(R) apply to all share-based compensation awards granted or modified on or after Biomet s date of adoption of SFAS 123(R), June 1, 2006. For share-based compensation awards granted prior to the date of adoption, the unrecognized expense related to the unvested portion of such awards at the date of adoption will be recognized in net income under the grant date fair value provisions under SFAS 123(R). The Compensation and Stock Option Committee reviews and considers the accounting impact of Biomet s equity awards in recommending the size and terms of such awards.

For a detailed discussion of stock option awards and their material terms, refer to The Elements of Biomet s Compensation Program Stock Options above and Executive Compensation Tables Grant of Plan-Based Awards Table below. For information about Biomet s historical stock option granting practices, refer to Legal Proceedings Litigation Relating to Review of Historical Stock Option Granting Practices. For further information about the assumptions Biomet uses in recognizing compensation expense, refer to footnote (2) to the Summary Compensation Table in Executive Compensation Tables later in this section.

Changes in Senior Management During the 2007 Fiscal Year

During the 2007 fiscal year, there were several changes in Biomet s executive management team. Among other changes, the following events occurred:

- on February 26, 2007, Mr. Binder was appointed President and Chief Executive Officer;

- on April 2, 2007, Mr. Hann retired as Executive Vice President of Administration prior to his appointment as Executive Vice President of Administration on February 26, 2007, Mr. Hann had served as Interim President and Chief Executive Officer from March 27, 2006 through February 26, 2007;

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- on April 2, 2007, Mr. Hartman retired as Senior Vice President Finance, Chief Financial Officer and Treasurer;
- on April 11, 2007, Mr. Richardson was appointed Corporate Vice President Finance and Interim Chief Financial Officer and Treasurer; and
- on May 31, 2007, Mr. England retired as Chief Operating Officer Domestic Operations.

In addition, on June 5, 2007, Mr. Daniel P. Florin was appointed Senior Vice President and Chief Financial Officer. Mr. Florin did not hold this position as of May 31, 2007, the last day of the 2007 fiscal year, and as a result is not considered an NEO under SEC rules for the 2007 fiscal year.

Also, as of May 31, 2007, Mr. Niemier served as Senior Vice President, Biomet, Inc. and Senior Vice President, Biomet International and Corporate Relations. However, on June 6, 2007, Mr. Niemier retired from these positions effective June 18, 2007.

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Executive Compensation Tables

Summary Compensation Table

The following narrative, tables and footnotes describe the total compensation earned during Biomet s 2007 fiscal year by Biomet s NEOs. The total compensation presented below does not reflect the actual compensation received by Biomet s NEOs or the target compensation of Biomet s NEOs during its 2007 fiscal year. The actual value realized by Biomet s NEOs during its 2007 fiscal year from long-term incentives (options) is presented in the Option Exercises and Stock Vested Table later in this Information Statement.

The individual components of the total compensation calculation reflected in the Summary Compensation Table are broken out below:

Salary. Base salary earned during Biomet s 2007 fiscal year. Refer to Compensation Discussion and Analysis The Elements of Biomet s Compensation Program Base Salary above for further information concerning this element of Biomet s compensation program. The terms of their respective employment agreements govern the base salaries for Messrs. Binder and Richardson.

Bonus. Biomet s NEOs earned annual incentive bonuses for its 2007 fiscal year. Refer to Compensation Discussion and Analysis The Elements of Biomet s Compensation Program Discretionary Annual Cash Bonuses above for further information concerning this element of Biomet s compensation program.

Stock Awards. The only equity-based compensation that Biomet provided to its NEOs for its 2007 fiscal year was in the form of stock option awards. For information about stock options granted to Biomet s NEOs, see Option Awards immediately below.

Option Awards. The awards disclosed under the heading Option Awards consist of grants of stock options awarded under the 1998 Plan. For further information about Biomet s stock option programs, refer to Compensation Discussion and Analysis The Elements of Biomet s Compensation Program Stock Options above. In addition, details about option awards made during Biomet s 2007 fiscal year are included in the Grant of Plan-Based Awards Table below. The dollar amounts for the awards in the Summary Compensation Table below represent the compensation expense recognized during Biomet s 2007 fiscal year under SFAS 123(R) for each NEO. The recognized compensation expense of the option awards for financial reporting purposes will likely vary from the actual amount ultimately realized by the NEO based on a number of factors. The factors include Biomet s actual operating performance, Common Share price fluctuations, differences from the valuation assumptions used and the timing of exercise or applicable vesting.

Non-Equity Incentive Plan Compensation. For the 2007 fiscal year, Biomet did not have any non-equity incentive compensation plans applicable to its NEOs.

Change in Pension Value. Biomet does not sponsor or maintain any pension plans applicable to its U.S.-based NEOs. For Mr. Van Broeck, represents the aggregate change in the actuarial

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present value of the accumulated benefit under his pension plan sponsored by Biomet Europe from April 30, 2006 to April 30, 2007 (the same measurement dates used for financial statement reporting purposes with respect to Biomet s audited financial statements for the 2006 and 2007 fiscal years with respect to Biomet s foreign subsidiaries). For information on Mr. Van Broeck s retirement benefits and certain material features of the pension plan in which he participates, refer to Compensation Discussion and Analysis The Elements of Biomet s Compensation Program Retirement Plans above and Retirement And Non-Qualified Defined Contribution And Deferred Compensation Plans Pension Plans below.

Of Biomet s NEOs, only Messrs. Hann and England participate in the Deferred Compensation Plan, however, Biomet does not pay above market or preferential earnings on non-qualified deferred compensation. For information on the Deferred Compensation Plan, refer to Compensation Discussion and Analysis Retirement Plans.

All Other Compensation. The amounts included under the All Other Compensation heading represent the sum of: (1) certain perquisites and other personal benefits; (2) Biomet-paid contributions to retirement plans; (3) Biomet-paid insurance premiums; (4) certain tax reimbursements made by Biomet; and (5) certain other amounts more fully described in footnote (3) to the Summary Compensation Table.

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Name and Principal Position[(1)]	**Year**	**Salary ($)**	**Bonus ($)**	**Option Awards** [(2)] **($)**	**Stock Awards ($)**	**Non-Equity Incentive Plan Compen- sation ($)**	**Change in Pension Value and Non- Qualified Deferred Compen- sation Earnings ($)**	**All Other Compen- sation** [(3)]**($)**	**Total ($)**
Jeffrey R. Binder *President and* *Chief Executive Officer*	2007	150,050	162,500					71,858	384,408
Daniel P. Hann *Former Executive* *Vice President of* *Administration and* *Former Interim* *President and* *Chief Executive Officer*	2007	481,401	333,333	432,519				88,351	1,335,604
J. Pat Richardson *Corporate Vice* *President Finance and* *Treasurer and* *Former Interim Chief* *Financial Officer*	2007	25,834	24,722					3,788	54,344
Gregory D. Hartman *Former Senior Vice* *President Finance,* *Chief Financial Officer* *and Treasurer*	2007	303,692	156,000	135,535				105,896	701,123
Garry L. England *Former Chief Operating* *Officer Domestic*	2007	361,173	349,000(4)	205,911				1,521,274	2,437,358

Operations									
Charles E. Niemier *Former Senior Vice President and Former Senior Vice President, Biomet International and Corporate Relations*	2007	397,583	400,000(4)	160,367				28,442	986,392
Roger Van Broeck *Vice President and President, Biomet Europe*	2007	386,741(5)	248,235	119,486			77,073(5)	68,311	899,846

(1) For further information on the principal positions of Biomet s NEOs, refer to Compensation Discussion and Analysis Changes in Senior Management During the 2007 Fiscal Year.

(2) For each NEO listed in the Summary Compensation Table above, the value reflects the compensation expense recognized by Biomet during the 2007 fiscal year under SFAS 123(R). The amounts for Messrs. Hann and England reflect the acceleration of unvested stock option awards in connection with their retirement. For information on the full grant-date fair value of awards granted solely during the 2007 fiscal year, refer the Grant of Plan-Based Awards Table below and to footnote (1) of the Grant of Plan-Based Awards Table.

Biomet uses the Black-Scholes option-pricing model to determine the fair value of options to calculate compensation expense. For information about the assumptions used in determining the compensation expense recognized by Biomet during the 2007 fiscal year, refer to Notes 1 and 2 to the Consolidated Financial Statements included in Biomet s Quarterly Report on the Form 10-Q for the period ended February 28, 2007. For stock options granted during the fiscal year ended May 31, 2007, these assumptions included: (1) expected volatility, which was

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derived based on historical volatility of Biomet s Common Shares; (2) the expected term of the stock option, which was derived from historical employee exercise behavior; (3) the risk-free interest rate, which is determined using the implied yield currently available for zero-coupon U.S. Government issues with a remaining term equal to the expected life of the options; and (4) a dividend yield, which is derived based on the historical dividend yield of Biomet s Common Shares. For further information about Biomet s use and adoption of SFAS 123(R), refer to Compensation Discussion and Analysis The Elements of Biomet s Compensation Program Accounting for Stock-Based Compensation above.

(3) The table below presents an itemized account of *All Other Compensation* provided during Biomet s 2007 fiscal year. Consistent with Biomet s emphasis on performance-based pay, perquisites and other compensation are limited in scope and primarily comprised of retirement benefit contributions and accruals. For each NEO listed below, the sum of each of the columns reflects the total value included under the All Other Compensation heading in the table above.

	Life Insurance Premiums ($)	Physical Exams ($)	Retirement Plan Contributions ($)	Medical Flex ($)	Social Club Dues ($)	Travel Allowance ($)	Personal Use of Company Aircraft ($)(a)	Other ($)	Amounts in Connection with Retirement ($)(b)
Jeffrey R. Binder				146			63,600(c)	8,112(d)	
Daniel P. Hann	60	585	14,850	1,100	4,920	7,200			59,636
J. Pat Richardson				104				3,684(e)	
Gregory D. Hartman	60		14,850	1,350	5,000				84,636
Garry L. England	60	2,318	14,850	1,500	5,844		4,500		1,492,202
Charles E. Niemier	60	2,062	14,850	1,550	4,920	5,000			
Roger Van Broeck			38,811			24,621(f)		4,879(g)	

(a) Biomet s incremental cost for personal use of Biomet aircraft is calculated by multiplying the aircraft s hourly variable operating cost by a trip s flight time, which includes any flight time of an empty return flight. Variable operating costs are based on industry standard rates of Biomet s variable operating costs, including fuel and oil costs, maintenance and repairs, landing/ramp fees and other miscellaneous variable costs. On certain occasions, a spouse or other family member may accompany one of Biomet s NEOs on a flight. No additional operating cost is incurred in such situations under the foregoing methodology. Biomet does not pay its NEOs any amounts in connection with taxes on income imputed to them for personal use of Biomet s aircraft.

(b) For Messrs. Hann and Hartman, the amounts under the Amounts in Connection with Retirement heading includes monthly consulting fees ($41,666 and $29,166, respectively) and monthly health insurance premiums under COBRA ($652 each) that Messrs. Hann and Hartman received for the months of April and May 2007 pursuant to retirement and consulting agreements between Biomet and Messrs. Hann and Hartman, respectively, dated March 30, 2007. For Mr. England, the amount reflects benefits that Biomet has accrued in respect of his retirement, assuming the transactions contemplated by the Merger Agreement are consummated and such benefits are not forfeited. These benefits consisting of two times base salary and two times target annual cash bonus, each for the 2008 fiscal year and each of $360,000 plus other certain benefits, pursuant to the separation and retirement agreement between Biomet and Mr. England dated May 31, 2007. In the case of Messrs. Hann and England, however, these amounts do not include the SFAS 123(R) compensation expense for stock option awards accelerated under the retirement and consulting agreement between Biomet and Mr. Hann dated March 30, 2007 or the separation and retirement agreement between Biomet and Mr. England dated May 31, 2007, respectively. These amounts are not included in this column or under the All Other Compensation heading to the Summary Compensation Table above because the amounts are already reflected in the amounts representing the SFAS 123(R) compensation expense for stock option awards under the Option Awards heading. Similarly, in the case of Messrs. Hann, Hartman and England, these amounts do not include the annual discretionary cash bonuses paid to these individuals because the amounts are already reflected in the amounts representing bonus payments under the Bonus heading to the Summary Compensation Table above. For further information concerning these agreements, refer to Employment Agreements and Potential Post-Termination Payments Consulting Arrangements with Gregory D. Hartman and Daniel P. Hann and Employment Agreements and Potential Post-Termination Payments Retirements of Garry L. England and Charles E. Niemier below.

(c) Pursuant to the employment agreement between Biomet and Mr. Binder, dated February 26, 2007, Biomet agreed to arrange, at its expense, for Mr. Binder to fly once per week to and from Mr. Binder s Texas home and Biomet s headquarters or such other location reasonably specified by Biomet during the term of the employment agreement. Biomet will not provide Mr. Binder with a gross up for taxes incurred in connection with these benefits. If, however, Mr. Binder uses a commercial flight and the

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income imputed in connection with the commercial flight is greater than the amount that would have been imputed to Mr. Binder if he had used a Biomet-operated aircraft, Biomet will provide to Mr. Binder a gross up for taxes incurred on the incremental income associated with the commercial flight. Biomet s incremental costs associated with extending these benefits to Mr. Binder are capped at $500,000 in any twelve-month period. For the purposes of applying this limitation, Biomet s incremental cost for commercial flights shall be the cost of Mr. Binder s tickets and for flights on Biomet-operated aircraft shall be the incremental per-hour cost associated with Mr. Binder s flights and other incremental costs related to such flights, such as landing fees, transportation and housing costs of aircrew and other similar costs. The amount that appears under the Personal Use of Company Aircraft heading reflects the amount of this rolling twelve-month allowance that Mr. Binder has used.

(d) Represents the cost to Biomet of providing temporary housing to Mr. Binder in Warsaw, Indiana. In addition, pursuant to the employment agreement between Biomet and Mr. Binder dated February 26, 2007, Biomet agreed to purchase Mr. Binder s prior residence in Illinois at its appraised value, to be determined by an independent appraiser, up to $2,199,000. Furthermore, Biomet agreed to reimburse Mr. Binder for certain capital gains taxes, if any, incurred as a result of the sale of Mr. Binder s prior residence. As a result of the independent appraisal, Biomet purchased Mr. Binder s prior residence for significantly less than the maximum amount and Mr. Binder has not recognized any gain on the sale of his prior residence. The amount paid by Biomet to Mr. Binder is not reflected in the amount shown in the table above for Mr. Binder under the All Other Compensation heading. In addition, because Mr. Binder recognized a loss on the sale of his house, Biomet has not paid any gross up amounts to Mr. Binder in connection with the sale of his house.

Also, pursuant to the employment agreement between Biomet and Mr. Binder dated February 26, 2007, Biomet agreed to reimburse Mr. Binder up to $1,320,000 if Mr. Binder is required to pay his former employer in connection with the termination of his previous employment. As of May 31, 2007, Biomet had not paid any amounts under this provision of the employment agreement, however, it is expected that Biomet may make payments to Mr. Binder s prior employer under this provision during the 2008 fiscal year.

(e) Represents the cost to Biomet of providing temporary housing to Mr. Richardson in Warsaw, Indiana.

(f) Represents the cost to Biomet of providing a car to Mr. Van Broeck.

(g) Represents the Biomet-paid portion of Mr. Van Broeck s government mandated health and wellness expense.

In addition to the foregoing compensation, NEOs also participated in health and welfare benefit programs, including vacation and medical, dental, prescription drug and disability coverage. These programs are generally available and comparable to those programs provided to all U.S. salaried employees.

(4) For Messrs. England and Niemier, represents an annual cash bonus for the 2007 fiscal year equal to 100% of their target bonus for the 2007 fiscal year pursuant to the terms of the change in control agreements between Biomet and Messrs. England and Niemier, respectively. The amount is contingent upon the consummation of the transactions contemplated by the Merger Agreement. If the Merger Agreement is terminated or the transactions contemplated by the Merger Agreement are not consummated within six months of the effective date of each executive s separation from Biomet, the annual cash bonus payable to Messrs England and Niemier for the 2007 fiscal year will be reduced from 100% of their target annual bonus for the 2007 fiscal year to 94% of base salary, which represents a reduction of $20,940 and $24,000, respectively.

(5) For the purposes of the Summary Compensation Table above, to calculate Mr. Van Broeck s annual base salary and change in pension value in U.S. dollars, Biomet used a currency conversion rate of 1 Euro to $1.3447, which represents the currency exchange rate from Euros to U.S. dollars on June 1, 2007 as published in The Wall Street Journal.

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Grant of Plan-Based Awards Table

During 2007, Biomet granted stock options to its NEOs under the 1998 Plan. Information with respect to each of these awards on a grant-by-grant basis is set forth in the table below. Fair market value under the 1998 Plan is defined as the closing price of the Common Shares as reported by The Nasdaq Stock Market or by any national securities exchange on which Common Shares may be traded. For additional discussion of Biomet s stock option plans and certain material terms of Biomet s stock option awards, refer to Compensation Discussion and Analysis The Elements of Biomet s Compensation Program Stock Options.

All stock option awards to Biomet s NEOs during the 2007 fiscal year were made such that the exercise price of the awards is equal to the closing price of Biomet s Common Shares on the date of grant. For information about Biomet s historical stock option granting practices, refer to Legal Proceedings Litigation Relating to Review of Historical Stock Option Granting Practices.

Name	Grant Date	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant-Date Fair Value of Stock and Option Awards(1) ($)
Jeffrey R. Binder(2)				
Daniel P. Hann				
J. Pat Richardson(3)				
Gregory D. Hartman(4)	October 9, 2006	25,000	33.19	288,250
Garry L. England(5)	October 9, 2006	25,000	33.19	288,250
Charles E. Niemier(5)	October 9, 2006	50,000	33.19	576,500
Roger Van Broeck	October 9, 2006	25,000	33.19	288,250

(1) For each NEO listed in the Grant of Plan-Based Awards Table above, the value reflects the full grant-date fair value calculated under SFAS 123(R) solely for awards granted during the 2007 fiscal year. The fair value of the stock option awards for financial reporting purposes likely will vary from the actual amount ultimately realized by the NEO based on a number of factors. These factors include Biomet s actual operating performance, Common Share price fluctuations, differences from the valuation assumptions used and the timing of exercise or applicable vesting.

(2) Pursuant to an employment agreement dated February 26, 2007 between Biomet and Mr. Binder, if the Merger Agreement is terminated, Mr. Binder will be granted an equity award after such termination and annually thereafter (if still employed) commencing after May 31, 2008. For further information about this equity award and Mr. Binder s employment agreement, refer to Employment Agreements and Potential Post Termination Payments Employment Agreement with Jeffrey R. Binder below. If the transaction contemplated by the Merger Agreement is consummated, Mr. Binder will not receive this benefit; although it is expected that Mr. Binder will receive an equity award following the consummation of the transaction contemplated by the Merger Agreement (although such award is still subject to negotiation and discussion).

(3) In the event that the Merger Agreement is terminated, Mr. Richardson will be entitled to equity awards issued by the Compensation and Stock Option Committee of Biomet s Board that are commensurate with his position with Biomet. For further information about this equity award and the offer letter provided to Mr. Richardson, refer to Employment Agreements and Potential Post Termination Payments Offer

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Letter to J. Pat Richardson below. If the transaction contemplated by the Merger Agreement is consummated, Mr. Richardson will be granted an equity interest in Biomet or one of its affiliates pursuant to an equity incentive plan (although such award is still subject to negotiation and discussion). Mr. Richardson s equity interest in the new Biomet entity will be commensurate with his position with Biomet.

(4) For further information on stock options granted to Mr. Hartman during Biomet s 2007 fiscal year, see footnote (7) to the Outstanding Equity Awards at Fiscal Year-End table immediately below.

(5) For further information on stock options granted to Messrs. England and Niemier during Biomet s 2007 fiscal year, see footnote (10) to the Outstanding Equity Awards at Fiscal Year-End table immediately below.

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Outstanding Equity Awards at Fiscal Year-End Table

Biomet has awarded stock options to members of its senior management and other Biomet team members throughout Biomet. The terms of these awards typically provide for vesting over a defined period of time. Awards listed in the table below, other than the conditional performance stock option awards, generally have an eight-part vesting schedule in which the first of the eight installments vests on the one-year anniversary of the grant date. Each subsequent one-eighth installment thereafter vests on the anniversary of the grant date for the next seven years. For information on the vesting schedule of the unvested portions of outstanding equity awards listed below, refer to footnote (2) to the table below. Each installment, however, has a two year lifespan with respect to exercise and therefore each installment will expire if not exercised two years from the date that the particular installment vests.

For further information on Biomet s stock option awards and their material terms, refer to Compensation Discussion and Analysis The Elements of Biomet s Compensation Program Stock Options. For information about Biomet s historical stock option granting practices, refer to Legal Proceedings Litigation Relating to Review of Historical Stock Option Granting Practices. For information about stock option awards granted solely during the 2007 fiscal year, refer to Grant of Plan Based Awards Table.

In addition, during Biomet s 2005 and 2006 fiscal years, the Compensation and Stock Option Committee granted conditional performance stock options to certain of Biomet s executive officers, with the exception of the Chairman of the Board who has never received stock option awards. The actual number of Common Shares available for exercise by each executive officer with respect to these conditional performance stock option awards will be determined by a calculation based on the performance of Biomet s Common Shares in comparison to the performance of its informal peer group over a three-year time period. As a result, the actual number of Common Shares granted may vary from zero Common Shares to 150% of the number of target Common Shares stated in the conditional performance stock option award. Biomet did not grant any conditional performance stock option awards during the 2007 fiscal year. In addition, of Biomet s NEOs, only Messrs. England, Niemier and Van Broeck had outstanding conditional performance stock option awards as of May 31, 2007. For the amounts of these conditional performance stock option awards that remain outstanding, refer to Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options heading in the table below. For a detailed discussion of these conditional performance stock option awards and their material terms, refer to Compensation Discussion and Analysis The Elements of Biomet s Compensation Program Stock Options.

The following table shows the equity awards granted to Biomet s NEOs, which are comprised of a mix of the conditional performance stock option awards and the time-based vesting stock option awards (vested and unvested), that were outstanding as of the end of Biomet s 2007 fiscal year:

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	Option Awards				
Name	Number of Securities Underlying Unexercised Options (#) Exercisable(1)	Number of Securities Underlying Unexercised Options (#) Unexercisable(2)	Equity Incentive Plan Awards: Number of Securities Underlying Unexercised Unearned Options (#)(3)	Option Exercise Price ($)(4)	Option Expiration Date(5)
Jeffrey R. Binder(6)					
Daniel P. Hann(7)					
	4,000			24.0000	7/17/2007
	1,875			20.8333	1/16/2009
	3,750			29.0933	7/5/2008
	2,500			28.8800	7/9/2008
	3,750			43.7100	6/28/2008
	25,000			34.3200	3/23/2009
			75,000(8)	34.3200	
J. Pat Richardson(9)					
Gregory D. Hartman(7)					
	4,000			24.0000	7/17/2007
	1,875			20.8333	1/16/2009
	3,750			29.0933	7/05/2008
	2,500			28.8800	7/09/2008
	3,750			43.7100	6/28/2008
Garry L. England(10)					
	4,000			24.0000	7/17/2007
	1,875	1,875(a)		20.8333	1/16/2011
	3,750	11,250(b)		29.0933	7/05/2011
	2,500	6,250(c)		28.8800	7/09/2013
	3,750	11,250(d)			