BIOMET INC
Form 10-K/A
April 04, 2003

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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 10-K/A

(Mark One)
[X] ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended May 31, 2002.

OR

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

For the transition period from _____ to _____.

Commission file No. 0-12515.

BIOMET INC
(Exact name of registrant as specified in its charter)

INDIANA	35-1418342
(State of incorporation)	(IRS Employer Identification No.)
56 EAST BELL DRIVE, WARSAW, INDIANA	46582
(Address of principal executive offices)	(Zip Code)

(574) 267-6639
(Registrant's telephone number, including area code)

Securities registered pursuant to Section 12(b) of the Act: None

Securities registered pursuant to Section 12(g) of the Act:

COMMON SHARES	RIGHTS TO PURCHASE COMMON SHARES
(Title of class)	(Title of class)

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

Indicate by check mark if disclosure of delinquent filers pursuant to Item 405 of Regulation S-K is not contained herein, and will not be contained, to the best of registrant's knowledge, in definitive proxy or information statements incorporated by reference in Part III of this Form 10-K or any amendment to this Form 10-K. [X]

The aggregate market value of the Common Shares held by non-affiliates of the registrant, based on the closing price of the Common Shares on July 12, 2002, as reported by the Nasdaq Stock Market, was approximately $5,978,000,000. As of July 12, 2002, there were 263,286,529 Common Shares outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

IDENTITY OF DOCUMENT	PARTS OF FORM 10-K INTO WHICH DOCUMENT IS INCORPORATED
Proxy Statement with respect to the 2002 Annual Meeting of Shareholders of the Registrant	Part III

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10-K/A

This amendment to the Annual Report of Biomet, Inc. on Form 10-K for the fiscal year ended May 31, 2002 is being filed to delete the reference to the FDA website in the Government Regulation section; to delete the Corporate Governance and Management Objectives section (both in Item #1); and to add Exhibit 10.7 relating to the Joint Venture Agreement between Biomet, Inc. and Merck KGaA in Item #14.

PART I

ITEM 1. BUSINESS.

GENERAL

Biomet, Inc., an Indiana corporation incorporated in 1977 ("Biomet"), and its subsidiaries design, manufacture and market products used primarily by musculoskeletal medical specialists in both surgical and non-surgical therapy, including reconstructive and fixation devices, electrical bone growth stimulators, orthopedic support devices, operating room supplies, general surgical instruments, arthroscopy products, spinal products, bone cements and accessories, bone substitute materials, craniomaxillofacial implants and instruments, and dental reconstructive implants and associated instrumentation. Biomet has corporate headquarters in Warsaw, Indiana, and manufacturing and/or office facilities in more than 50 locations worldwide.

The Company's principal subsidiaries include Biomet Orthopedics, Inc.; Biomet Manufacturing Corp.; EBI, L.P.; the Biomet Merck joint venture; Implant Innovations, Inc.; Walter Lorenz Surgical, Inc. and Arthrotek, Inc. Unless the context requires otherwise, the term "Company" as used herein refers to Biomet and all of its subsidiaries.

The Company intends to fully comply with the recent corporate responsibility legislation enacted by Congress, the Sarbanes-Oxley Act of 2002, in response to the recent highly publicized corporate accounting scandals. In practice, these new requirements will not change the way the Company conducts its business or the method and diligence with which it prepares its financial statements. The Company has no special purpose entities or off balance sheet transactions, nor does it make loans to its executive officers. The only partnership in which the Company is a party is the Biomet Merck joint venture in Europe, which has been fully disclosed in the Company's financial statements, including the provision for the minority interest held by Merck KGaA of Darmstadt, Germany.

PRODUCTS

The Company operates in one business segment, musculoskeletal products, which includes the design, manufacture and marketing of four major product groups: reconstructive devices, fixation products, spinal products and other products. The Company has three reportable geographic markets: United States, Europe and Other. Reconstructive devices include knee, hip and extremity joint replacement systems, as well as dental reconstructive implants, bone cements and accessories

and the procedure-specific instrumentation required to implant the Company's reconstructive systems. Fixation products include internal and external fixation devices, craniomaxillofacial fixation systems and electrical stimulation devices that do not address the spine. Spinal products include electrical stimulation devices addressing the spine and spinal fixation systems. The other product sales category includes softgoods and bracing products, arthroscopy products, casting materials, general surgical instruments, operating room supplies, wound care products and other surgical products. Depending on the application, the Company reports sales of bone substitute materials in the fixation product or spinal product group.

The following table shows the net sales and percentages of total net sales contributed by each of the Company's product groups for each of the three most recent fiscal years ended May 31, 2002.

	YEARS ENDED MAY 31, (DOLLAR AMOUNTS IN THOUSANDS)				
	2002		2001		
	NET SALES	PERCENT OF TOTAL NET SALES	NET SALES	PERCENT OF TOTAL NET SALES	N SAL
Reconstructive Devices	$ 721,004	60%	$ 614,308	59%	$580,2
Fixation Products	215,544	18%	202,152	20%	180,3
Spinal Products	125,119	11%	91,103	9%	54,1
Other Products	130,235	11%	123,100	12%	108,8
Total	$1,191,902	100%	$1,030,663	100%	$923,5

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RECONSTRUCTIVE DEVICES

Orthopedic reconstructive devices are used to replace joints that have deteriorated as a result of disease (principally osteoarthritis) or injury. Reconstructive joint surgery involves the modification of the area surrounding the affected joint and the implantation of one or more manufactured components, and may involve the use of bone cement. The Company's primary orthopedic reconstructive joints are knees, hips and extremities, but it produces other joints as well. The Company also produces the associated instruments required by orthopedic surgeons to implant the Company's reconstructive devices, as well as bone cements and delivery systems. The Company's orthopedic reconstructive devices are sold through its Biomet Orthopedics, Inc. ("Biomet Orthopedics") subsidiary. Additionally, dental reconstructive devices and associated instrumentation are used for oral rehabilitation through the replacement of teeth and repair of hard and soft tissues.

KNEE SYSTEMS. Total knee replacement procedures normally include a femoral component, a patellar component, a tibial tray and an articulating surface. Total knee replacement may occur as an initial joint replacement procedure, or

as a revision procedure due to the need to replace, repair or enhance the initial implant. Partial, or unicondylar, knee replacement is an option when only a portion of the knee requires replacement.

The Maxim(R) Complete Knee System incorporates cruciate retaining, posterior stabilized and constrained components, and competes in the primary and revision knee market segments. The Maxim(R) System was the Company's largest-selling knee system during fiscal year 2002 and continues to gain market share in the United States. The Company is finalizing the development of the Maxim(R) Accel(TM) Total Knee System, which is designed to be a comprehensive knee system, addressing primary and revision indications.

The Company continues to be the market leader in addressing the increasing demand from practitioners and patients for procedures and products accommodating minimally-invasive knee techniques. The Repicci II(R) Unicondylar Knee System is specifically designed to accommodate a minimally-invasive knee arthroplasty procedure. This system incorporates self-aligning metal and polyethylene components. This innovative procedure can often be performed on an outpatient basis and requires a smaller incision and less bone removal, which may result in shorter recovery time and reduced blood loss. The Oxford(TM) Phase 3 Unicompartmental Knee, which is a mobile-bearing unicondylar knee that utilizes a minimally-invasive technique, continues to experience strong sales outside the United States. The Company is currently seeking clearance to market the Oxford(TM) Phase 3 Knee from the U.S. Food and Drug Administration ("FDA"). During the first half of fiscal year 2003, the Company intends to introduce the Vanguard M(TM) Series Minimally-Invasive Unicompartmental Knee System. The Vanguard M(TM) System is designed to accommodate surgeons who prefer a fully-instrumented minimally-invasive unicondylar system, and incorporates a fixed-bearing tibial component to accompany the femoral component and instruments of the Oxford(TM) Phase 3 Minimally-Invasive Unicompartmental Knee System.

The Ascent(TM) Total Knee System incorporates an open box posterior stabilized femoral component with a swept-back anterior flange that can accept either a posterior stabilized or constrained tibial bearing. This system is designed with a deepened patella groove to enhance patellar tracking and contribute to reduced lateral release rates. The Ascent(TM) System addresses the needs of both the primary and revision markets.

During fiscal year 2002, Biomet Orthopedics released the Biomet(R) Orthopaedic Salvage System ("OSS"). This system provides modular flexibility while reducing overall inventory demands. The OSS System is used mainly in instances of severe bone loss or significant soft tissue instability as a result of multiple revision surgeries or oncological bone deficiencies.

The TRAC(R) Mobile Bearing Knee System, which has been positively received in Europe and is currently involved in clinical studies in the United States, is a unique knee system utilized primarily in total knee arthroplasty for younger, more active patients. Its patented rotating platform design allows greater anatomic flexibility of the knee.

HIP SYSTEMS. Total hip replacement procedures involve the replacement of the head of the femur and the acetabulum, and may occur as an initial joint replacement procedure, or as a revision procedure due to the need to replace, repair or enhance the initial implant. A femoral hip prosthesis consists of a femoral head and stem, which can be cast, forged or machined depending on the design and material used. Acetabular components include a prosthetic replacement of the socket portion, or acetabulum, of the pelvic bone. Because of variations in human anatomy and differing design preferences among surgeons, femoral and acetabular prostheses are manufactured by the Company in a variety of sizes and configurations. The Company currently offers over twenty total hip systems, most of which utilize titanium or cobalt chromium alloy femoral components and the

Company's patented ArCom(R) polyethylene-lined or metal-on-metal acetabular components. Many of the femoral prostheses utilize a porous coating, which enhances the attachment of bone cement to the stem or enables cementless fixation.

The Alliance(R) family of hip systems is designed to address the demand from hospitals and surgeon groups toward standardization of total hip systems. The Alliance(R) hip family provides the largest selection in the marketplace of primary and revision stems

available for implantation with a single set of instrumentation. The Alliance(R) family of hip systems includes the Answer(R), Bi-Metric(R), Bio-Groove(R), Hip Fracture(TM), Integral(R), Intrigue(TM), Osteocap RS(R), Progressive(TM), RX90(TM) and Vision(R) Hip Systems. During fiscal year 2002, Biomet Orthopedics augmented the Alliance(R) family by introducing Exact((TM)) Instrumentation, an integrated instrument set developed to promote intraoperative flexibility and increase the efficiency, simplicity and consolidation of instrument use.

The Mallory-Head(R) Hip System is designed for both primary and revision total hip arthroplasty procedures. The primary femoral components feature a specific proximal geometry for cementless indications and a slightly different proximal ribbed geometry for those patients requiring fixation with bone cement. The Mallory-Head(R) revision femoral components provide innovative solutions for difficult revision cases, and have demonstrated excellent clinical results. The Mallory-Head(R) Calcar Replacement Prosthesis is offered in both a one-piece and modular geometry, which allows for individual customization at the time of surgical intervention, even in cases of severe bone deficiency.

Biomet's Metal-on-Metal Hip System combines a cobalt chrome head with a cobalt chrome liner and has demonstrated a 20- to 100-fold reduction in volumetric wear in simulator studies compared to traditional metal-polyethylene articulation systems. The M(2)a-Taper(TM) Metal-on-Metal Articulation System may be utilized on most of Biomet's femoral components and has continued to evolve with the introduction of the M(2)a-38(TM)System, which incorporates larger diameter metal-on-metal components designed to offer increased range of motion and decrease the likelihood of hip dislocation. The Company is also developing a ceramic-on-ceramic articulation system, which is currently being marketed outside the United States and is in the patient-enrollment phase of a clinical trial in the United States.

During fiscal year 2002, Biomet received clearance from the FDA to market the Taperloc(R) and Mallory-Head(R) Porous Primary Stems with hydroxyapatite coating in the United States. The Company already markets several hip components in Europe with hydroxyapatite coating, which is preferred by some surgeons in cementless procedures. During fiscal year 2003, the Company plans to introduce the Max-Ti(TM) Protrusio Cage, the first protrusio cage to offer modular augments to fit the product to the patient and achieve desired anatomic positioning. The Company also anticipates clearance from the FDA to market its constrained hip liners as a result of the FDA's downclassification of constrained hip liners from Class III to Class II medical devices. This downclassification was effective May 30, 2002 and could potentially shorten the FDA review and approval process for constrained hip liners from years to months.

EXTREMITY SYSTEMS. The Company offers a variety of shoulder systems including the Absolute(R) Bi-Polar, Bi-Angular(R), Bio-Modular(R), Copeland(TM), Integrated(TM) and Mosaic(TM) Shoulder Systems, as well as uniquely-designed elbow replacement systems.

The Copeland(TM) Humeral Resurfacing Head was released in the United States during fiscal year 2002. With 10 years of positive clinical results in the United Kingdom, the Copeland(TM) Head was developed to minimize bone removal in shoulder procedures. The Discovery(TM) Elbow is a unique total elbow device that incorporates an ArCom(R) polyethylene molded bearing and condylar hinge mechanism designed to produce a more anatomic articulation than observed in simple-hinged elbow implants. The iBP(TM) (Instrumented Bone Preserving) Elbow System is marketed in Europe and is designed to closely resemble the natural anatomy of the elbow to allow for a more complex pattern of movement than simple-hinged implants.

DENTAL RECONSTRUCTIVE IMPLANTS. Through its subsidiary, Implant Innovations, Inc. ("3i"), the Company develops, manufactures and markets products designed to enhance oral rehabilitation through the replacement of teeth and the repair of hard and soft tissues. These products include dental reconstructive implants and related instrumentation, bone substitute materials and regenerative products and materials. A dental implant is a small screw or cylinder, normally constructed of titanium, that is surgically placed in the bone of the jaw to replace the root of a missing tooth and provide an anchor for an artificial tooth. 3i's flagship product, the OSSEOTITE(R) product line, features a patented micro-porous surface technology, which allows for earlier loading and improved bone integration to the surface of the implant compared to competitive dental implants.

3i's offering of restorative treatment options also includes the GingiHue(TM) Post and the ZiReal(TM) Post. The GingiHue(TM) Post is a gold-colored titanium nitride coated abutment, which optimizes the projection of natural color to approximate the appearance of natural teeth. The ZiReal(TM) Post offers a highly aesthetic restorative option. This zirconia-based implant provides the natural translucence of ceramic material, but with greater strength, durability and resistance to cracking than conventional aluminum oxide ceramic abutments. Both of these products may be used with conventional crown and bridge techniques.

Through its collaboration with Colbar Research & Development Ltd., 3i introduced OSSIX(TM) Resorbable Collagen Membrane during fiscal year 2002. The OSSIX(TM) membrane provides a barrier for guided bone regeneration for six months and then completely resorbs within eight to ten months. The regenerated bone may then be used as the foundation for a dental implant.

Ossix(TM) is a trademark of Colbar Research & Development Ltd.

OTHER RECONSTRUCTIVE DEVICES. Biomet's Patient-Matched Implant ("PMI(R)") services group expeditiously designs, manufactures and delivers one-of-a-kind reconstructive devices to orthopedic specialists. The Company believes this service continues to enhance Biomet's reconstructive sales by strengthening its relationships with orthopedic surgeons and augmenting its reputation as a responsive company committed to excellent product design. In order to assist orthopedic surgeons and their surgical teams in preoperative planning, Biomet's PMI(R) group utilizes a three-dimensional ("3-D") bone and soft tissue reconstruction imaging system. The Company uses Computed Tomography ("CT") data to produce 3-D reconstructions for the design and manufacture of patient-matched implants. Biomet also provides anatomic physical models based on patient CT data. With this imaging and model-making technology, Biomet's PMI(R) group is able to assist the physician prior to surgery by creating 3-D models. Within strict deadlines, the model is used by engineers to create a PMI(R) design for the actual manufacturing of the custom implant for the patient.

The Company is involved in the ongoing development of bone cements and delivery systems. The Company has successfully penetrated the domestic cement market with Palacos(R) Bone Cement, which is marketed primarily in conjunction with the Optivac(R) Vacuum Mixing System.

FIXATION PRODUCTS

The Company's fixation products include electrical stimulation devices (that do not address the spine), external fixation devices, craniomaxillofacial fixation systems, internal fixation devices and bone substitute materials utilized in fracture fixation applications.

ELECTRICAL STIMULATION SYSTEMS. The Company's subsidiary, EBI, L.P. ("EBI"), is the market leader in the electrical stimulation segment of the fixation market. The EBI Bone Healing System(R) unit is a non-invasive option for the treatment of recalcitrant bone fractures (nonunions) which have not healed with conventional surgical and/or non-surgical methods. The non-invasive devices sold by EBI generally provide an alternative to surgical intervention in the treatment of recalcitrant bone fractures, failed joint fusions and congenital pseudarthrosis. The EBI Bone Healing System(R) units produce low-energy pulsed electromagnetic field ("PEMF") signals that induce weak pulsing currents in living tissues that are exposed to the signals. These pulses, when suitably configured in amplitude, repetition and duration, affect bone cells. The EBI Bone Healing System(R) unit may be utilized over a patient's cast, incorporated into the cast or worn over the skin. In addition, the OrthoPak(R) Bone Growth Stimulation System offers a small, lightweight non-invasive bone growth stimulator using capacitive coupling technology. The OrthoPak(R) System provides greater ease of use and enhances access to fracture sites. Sales of EBI's non-invasive electrical stimulation products continue to be positively impacted by the FDA's revision of the definition of "nonunions" to include fractures with no visibly progressive signs of healing, rather than the previously required time frame of nine months with no signs of healing, as well as the revision of the Health Care Financing Administration ("HCFA") policy covering electrical stimulation therapy for fractures to permit reimbursement for electrical stimulation therapy three months after a fracture has occurred.

EBI also offers an implantable option when bone growth stimulation is required subsequent to surgical intervention. EBI's OsteoGen(TM) Totally Implantable Bone Growth Stimulator is an adjunct treatment when bone grafting and surgical intervention are required to treat a recalcitrant fracture.

EXTERNAL FIXATION DEVICES. External fixation is generally indicated to immobilize fractures when traditional casting is not a viable solution. The DynaFix(R) and Vision(R) Systems are patented devices for use in complicated trauma situations and in certain limb-lengthening and deformity correction applications. EBI also offers several other fixation systems addressing distal radius fractures and elbow fractures, as well as extensions to the DynaFix(R) and Vision(R) Systems designed to treat the varying and unique needs of practitioners and patients.

CRANIOMAXILLOFACIAL FIXATION SYSTEMS. The Company manufactures and distributes craniomaxillofacial and neurosurgical titanium and resorbable implants, along with associated surgical instrumentation, principally marketed to craniomaxillofacial, neurosurgical and craniofacial surgeons through its subsidiary, Walter Lorenz Surgical, Inc. ("Lorenz Surgical"). Lorenz Surgical also offers specialty craniomaxillofacial surgical instruments, Hard Tissue Replacement (HTR(R)) custom craniofacial implants and the Mimix(TM) Bone Substitute Material for use in craniomaxillofacial surgery.

Lorenz Surgical manufactures and markets the LactoSorb(R) Resorbable Fixation System of resorbable plates and screws comprised of a copolymer of poly-L-lactic

acid and polyglycolic acid. As a result of its innovative design, the LactoSorb(R) System is comparable in strength to titanium plating systems at its initial placement and is completely resorbed within 9 to 15 months after implantation. The LactoSorb(R) System is especially beneficial in pediatric reconstruction cases by eliminating the need for a second surgery to remove the plates and screws.

Palacos(R) is a registered trademark of Hereaus Kulzer GmbH.

Mimix(TM) Bone Substitute Material is a synthetic tetra-calcium phosphate/tri-calcium phosphate material. This material is most commonly used for the repair of cranial defects, and is currently offered in putty form, but is scheduled to be launched in an injectable form during fiscal year 2003.

INTERNAL FIXATION DEVICES. The Company's internal fixation products include devices such as nails, plates, screws, pins and wires designed to temporarily stabilize traumatic bone injuries. These devices are used by orthopedic surgeons to provide an accurate means of setting and stabilizing fractures. They are intended as aids to healing and may be removed when healing is complete; they are not intended to replace normal body structures.

The VHS(R) Vari-Angle Hip Fixation System is a key internal fixation product line for the Company. Its components can be adjusted intraoperatively, allowing the hospital to carry less inventory, while providing greater intraoperative selection of the optimum fixation angle.

During fiscal year 2003, the Company plans to introduce the Quad 4(TM) Intramedullary Nail System to the domestic market. The Quad 4(TM) System requires approximately 50% less inventory than competitive systems and is uniquely designed to address the widest possible variety of femoral fractures.

BONE SUBSTITUTE MATERIALS. When presented with a patient having a bone defect, such as a fractured bone or bone loss due to removal of a tumor, the treating surgeon may remove a portion of bone from the patient at a second site to use as a graft to induce healing at the site of the defect. Bone substitute materials can eliminate the pain created at the graft site, as well as the costs associated with this additional surgical procedure. Depending on the specific use of the bone substitute material, it can have fixation or spinal applications. During fiscal year 2003, the Company expects to receive clearance from the FDA to market Calcigen S(TM) (calcium sulfate) bone substitute material in granular and self-setting forms in the United States for orthopedic applications.

SPINAL PRODUCTS

The Company's spinal products include electrical stimulation devices for spinal applications, spinal fixation systems and bone substitute materials and allograft products for spinal applications.

SPINAL FUSION STIMULATION SYSTEMS. Implantable, direct-current electrical stimulation units provide an adjunct to surgical intervention in the treatment of spinal fusion applications. Spinal fusions are surgical procedures undertaken to establish bony union between adjacent vertebrae. EBI's SpF(R) Implantable Spinal Fusion Stimulators are used in conjunction with bone grafting to increase the probability of fusion success. The implantable units each consist of a generator that provides a constant direct current to a titanium cathode placed where bone growth is required. The SpinalPak(R) Spine Fusion Stimulation System

offers surgeons a patient-friendly unit for situations in which non-invasive stimulation is the appropriate option.

SPINAL FIXATION SYSTEMS. The Company manufactures and distributes a traditional rod and plate system, as well as the SpineLink(TM) Spinal Fixation System, which addresses many of the inherent drawbacks of traditional rod and plate systems by addressing each spine segment individually for intrasegmental control. Through the use of a modular titanium link and polydirectional screw, this unique system provides an intrasegmental solution to spine fixation, enabling the surgeon to tailor the segmental construction to the patient's anatomy. The SpineLink(TM)-II Spinal Fixation System is a second generation SpineLink(TM) product scheduled to be launched during fiscal year 2003 and combines the independent, intrasegmental concept of the SpineLink(TM) System with a low-profile design that simplifies point-to-point fixation for the surgeon. The EBI VueLock(TM) Anterior Cervical Plate System features pre-contoured titanium plates with an open design to provide one-step locking and better visualization of the bone graft site during surgery and on x-ray films subsequent to the surgical procedure.

BONE SUBSTITUTE MATERIALS. Traditional spinal fixation surgery includes the use of a spinal fixation device in conjunction with a bone substitute or bone graft material to increase the likelihood of successful bone fusion. During fiscal year 2002, the Company launched the OsteoStim(TM) resorbable bone graft substitute material for spinal applications. The OsteoStim(TM) material is a granular form of calcium phosphate that is resorbed and replaced with natural bone during the healing process.

OTHER PRODUCTS

The Company also manufactures and distributes several other products including orthopedic support products (also referred to as softgoods and bracing products), arthroscopy products, operating room supplies, casting materials, general surgical instruments, wound care products and other surgical products. EBI manufactures and distributes an extensive line of orthopedic support products under the EBI(R) Sports Medicine trade name. The Company manufactures and markets a line of arthroscopy products through its Arthrotek, Inc. ("Arthrotek") subsidiary.

VHS(R) is a registered trademark of Implant Distribution Network, Ltd.

ORTHOPEDIC SUPPORT PRODUCTS. EBI distributes a line of orthopedic support products under the EBI(R) Sports Medicine name, including traction framing equipment, back supports, wrist and forearm splints, cervical collars, shoulder immobilizers, slings, abdominal binders, knee braces and immobilizers, rib belts, ankle supports and a variety of other orthopedic splints. Sales of these softgoods and bracing products are assisted by the Support-on-Site (S.O.S.(TM)) stock and bill program, which efficiently handles the details of product delivery for the healthcare provider.

ARTHROSCOPY PRODUCTS. Arthroscopy is a minimally-invasive orthopedic surgical procedure in which an arthroscope is inserted through a small incision to allow the surgeon direct visualization of the joint. This market is comprised of five product categories: power instruments, manual instruments, visualization products, soft tissue anchors, and procedure-specific instruments and implants. Arthrotek's principal products consist of the Bone Mulch(TM) Screw/WasherLoc(TM) Device for anterior cruciate ligament repair, the CurvTek(R) Bone Tunneling System for the reattachment of soft tissue to bone and LactoSorb(R) resorbable

arthroscopic fixation products.

PRODUCT DEVELOPMENT

The Company's research and development efforts are essentially divided into two categories: innovative new technology and evolutionary developments. Most of the innovative new technology development efforts are focused on biomaterial products, and are managed at the corporate level and take place primarily in Warsaw, Indiana and Darmstadt, Germany. Evolutionary developments are driven primarily by the individual subsidiaries and include product line extensions and improvements.

The Company continues to aggressively conduct internal research and development efforts to generate new marketable products, technologies and materials. In addition, the Company is well positioned to take advantage of external acquisition and development opportunities. An important component of the Company's strategy has been the formation of strategic alliances to enhance the development of new musculoskeletal products, including the relationships forged with Organogenesis, Inc. and Z-KAT, Inc. during fiscal year 2002. The Company is working with Organogenesis to market orthopedic products incorporating the Organogenesis' FortaFlex(TM) bio-engineered matrix technology, such as the CuffPatch(TM) rotator cuff repair product, which received clearance from the FDA in March 2002. The Company is collaborating with Z-KAT to co-develop and distribute image-guided software and intelligent instrumentation for various musculoskeletal applications and techniques, including minimally-invasive procedures.

As previously disclosed, the Company has formed an alliance with Selective Genetics, Inc. ("Selective Genetics") to develop gene therapy products for musculoskeletal repair indications. The Company has an exclusive, worldwide license covering the application of Selective Genetics' Gene Activated Matrix ("GAM(TM)") material for musculoskeletal repair indications and a co-exclusive license for use of the GAM(TM) material with spine cages. As discussed in Note C of the Notes to Consolidated Financial Statements, the Company also made a minority equity investment in Selective Genetics and during the fourth quarter of fiscal year 2002 incurred a charge of $5.5 million representing impairment of its equity investment in Selective Genetics based on the equity valuation utilized by Selective Genetics for its recent round of financing. Despite the devaluation of the equity investment, the Company continues to be optimistic about the ultimate marketability of the GAM(TM) material and is continuing the development of musculoskeletal applications of this technology. In an effort to ensure the progress of musculoskeletal applications for the GAM(TM) material, the Company has undertaken greater oversight responsibility for these development efforts.

For the years ended May 31, 2002, 2001 and 2000, the Company expended approximately $50,750,000, $43,020,000 and $40,208,000, respectively, on research and development. It is expected that ongoing research and development expenses will continue to increase. The Company's principal research and development efforts relate to its reconstructive devices, electrical stimulation products, spinal fixation products, revision orthopedic reconstructive devices, dental reconstructive implants, arthroscopy products, resorbable technology, biomaterials products, gene therapy technologies and image-guided software in the musculoskeletal products field.

The Company's research and development efforts have produced approximately 260 new products during the last three fiscal years, including numerous new products introduced during fiscal year 2002, such as the following products: Exact(TM) Hip Instrumentation, the M(2)a-38(TM) Acetabular System, Biomet(R) Patella Reaming System, Maxim(R) PS Pop Top Tibia, Hydroxyapatite coated Taperloc(R) Porous Components, Hydroxyapatite coated Mallory-Head(R) Porous Primary Components, Low-Profile Head Small Cannulated Screws, the Copeland(TM) Humeral

Resurfacing Head, Bio-Modular(R) Choice Shoulder System, Absolute(R) Bi-Polar Shoulder, the Discovery(TM) Elbow System, Avantage(TM) Revision Cup, ECO Hip System, Helios(R) Porous Hip Stem with Hydroxyapatite Coating, Oxford(R) TMK Total Meniscal Knee, Performance(TM) Rotating Platform Knee, Nottingham Fracture Stem, Optimix(TM) Closed Bone Cementing System, LactoSorb(R) Volar Plate, BHS UltraSoft FLX(R) Flexible Treatment Coils,

GAM(TM) is a trademark of Selective Genetics, Inc.

OsteoStim(TM) Resorbable Bone Graft Substitute, OsteoStim(TM) Anterior Cervical Allograft Spacer, DynaFix(R) Vision(R) Rapid Clamps, DynaFix(R) VS(TM) Osteotomy System, the SpineLink(TM)-II Spinal Fixation System, A-Force(TM) PF Night Splint, Alliance(TM) ACL Knee Brace, EBI(R) Sport Back Brace, Mentor(TM) Wrist Brace, ArthroPasser Suture Passer, Bone Patellar Tendon Bone Instrument Set, LactoScrew(R) Suture Anchor, LactoSorb(R) Hammertoe Implant, LactoSorb(R) Resorbable Cross Pin, LactoSorb(R) No Profile Screw & Washer, Ti Screw Titanium Anchor, Arthrotek(R) Resorbable Orthopedic Fixation System, TruGrip(TM) Screw & Washer, Alveolar Ridge Distractor, Mimix(TM) Synthetic Bone Substitute Material in injectable form, LactoSorb(R) Endoscopic Push Screws, Overdenture Abutment, OSSEOTITE(R) NT Natural-Taper Implant and OSSIX(TM) Resorbable Membrane.

During fiscal year 2003, the Company intends to release many new products including, but not limited to, the following products: Max-Ti(TM) Protrusio Cage, Maxim(R) Accel(TM) Total Knee System, Vanguard M(TM) Series Minimally-Invasive Unicompartmental Knee System, Quad-4(TM) Intramedullary Nail System with instrumentation, the GPS(TM) Gravitational Platelet Separation System, Calcigen S(TM) Bone Graft System, Multi-vector Distraction Osteogenesis Device (the "Blue Device"), 1.5/2.0mm Titanium Osteosynthesis Plating System and Mimix(TM) Synthetic Bone Substitute Material in injectable form.

GOVERNMENT REGULATION

Most aspects of the Company's business are subject to some degree of government regulation in the countries in which its operations are conducted. It has always been the practice of the Company to comply with all regulatory requirements governing its products and operations and to conduct its affairs in an ethical manner. This practice is reflected in the Company's code of conduct and the responsibility of the Audit Committee of the Board of Directors to review the Company's systems of internal control, its process for monitoring compliance with laws and regulations and its process for monitoring compliance with its code of conduct. For some products, and in some areas of the world such as the United States, Canada, Japan and Europe, government regulation is significant, and, in general, there appears to be a trend toward more stringent regulation throughout the world. The Company devotes significant time, effort and expense addressing the extensive government and regulatory requirements applicable to its business. Governmental regulatory actions can result in the recall or seizure of products, suspension or revocation of the authority necessary for the production or sale of a product, and other civil and criminal sanctions. The Company believes that it is no more or less adversely affected by existing government regulations than are its competitors.

In the United States, the development, testing, marketing and manufacturing of medical devices are regulated under the Medical Device Amendments of 1976 to the Federal Food, Drug and Cosmetic Act, the Safe Medical Devices Act of 1990, the FDA Modernization Act of 1997, and additional regulations promulgated by the FDA and various other federal, state and local agencies. In general, these statutes and regulations require that manufacturers adhere to certain standards designed

to ensure the safety and efficacy of medical devices.

The Company believes it is well-positioned to face the changing international regulatory environment. The International Standards Organization ("ISO") has an internationally recognized set of standards aimed at ensuring the design and manufacture of quality products. A company that has passed an ISO audit and obtained ISO registration is internationally recognized as having quality manufacturing processes. The European Union requires that medical products bear a CE mark. The CE mark is an international symbol, which indicates that the product adheres to European Medical Device Directives. Compliance with ISO quality systems standards is one of the requirements for placing the CE mark on the Company's products. Each of the Company's manufacturing and/or assembly facilities are authorized to place the CE mark on their products.

In addition, governmental bodies in the United States and throughout the world have expressed concern about the costs relating to health care and, in some cases, have focused attention on the pricing of medical devices. Government regulation regarding pricing of medical devices already exists in some countries and may be expanded in the United States and other countries in the future. The Company is subject to increasing pricing pressures worldwide as a result of growing regulatory pressures, as well as the expanding predominance of managed care groups and institutional and governmental purchasers. Under Title VI of the Social Security Amendments of 1983, hospitals receive a predetermined amount of Medicare reimbursement for treating a particular patient based upon the patient's type of illness identified with reference to the patient's diagnosis under one or more of several hundred diagnosis-related groups ("DRGs"). Other factors affecting a specific hospital's reimbursement rate include the size of the hospital, its teaching status and its geographic location. The Company's orthopedic reconstructive products are primarily covered by DRG 209 (Major Joint and Limb Reattachment Procedures-Lower Extremities), DRG 471 (Bilateral Major Procedures of the Lower Extremity) and DRG 491 (Major Joint and Limb Reattachment Procedures-Upper Extremities), and have also received approval for pass-through coding under the Hospital Outpatient Prospective Payment System. Effective October 1, 2002, certain reimbursements for DRG payment will be adjusted. The payments for DRG 209, 471 and 491 are

scheduled to increase 6.9%, 5.8% and 6.7%, respectively. In addition, the average DRG payments for spinal and trauma procedures are scheduled to increase 5.7% and 5.8%, respectively. In general, the Company considers this to be a positive event, which may serve to alleviate certain components of pricing pressure on the Company's products.

While the Company is unable to predict the extent to which its business may be affected by future regulatory developments, it believes that its substantial experience in dealing with governmental regulatory requirements and restrictions throughout the world, its emphasis on efficient means of distribution and its ongoing development of new and technologically-advanced products should enable it to continue to compete effectively within this increasingly regulated environment.

SALES AND MARKETING

The Company believes that sales of its products are currently affected and will continue to be positively affected by favorable demographic trends and a shift toward a preference for technologically-advanced products. The demand for musculoskeletal products continues to grow, in part, as a result of the aging of the baby boomer population in the United States. The U.S. Census Bureau projections indicate that the population aged 55 to 75 years is expected to grow

to approximately 74.7 million in 20 years. Moreover, the age range of potential patients is expanding outside the traditional 55 to 75 year range, as procedures are now being recommended for younger patients and as elderly patients are remaining healthier and more active than in past generations. The Company has also observed a trend toward a demand for technologically-advanced products that are simple to use and cost effective, while incorporating state-of-the-art solutions to the demands of the increasingly active patient. The Company has firmly positioned itself as the advocate of the surgeon and has worked to promote the right of the surgeon to prescribe the medical treatment best suited to the needs of the individual patient.

The Company has diligently worked to attract and retain qualified, well-trained and motivated sales representatives. The breadth of the Company's product offering and the quality of its salesforces collaborate to create synergies that uniquely position the Company to continue to efficiently penetrate the musculoskeletal market. In the United States, the Company's products are marketed by a combination of independent commissioned sales agents and direct sales representatives, based on the specific product group being represented. In Europe, the Company's products are promoted by a mixture of direct sales representatives, independent commissioned sales agents and independent third-party distributors, based primarily on the geographic location. In the rest of the world, the Company maintains direct selling organizations in approximately ten countries, as well as independent commissioned sales agents and independent third-party distributors in other key markets. In aggregate, the Company's products are marketed by more than 1,850 sales representatives throughout the world.

Elective surgery-related products appear to be influenced to some degree by seasonal factors, as the number of elective procedures decline during the summer months and the holiday seasons, with the exception of some elective pediatric procedures scheduled to coincide with school breaks.

The Company's customers are the hospitals, surgeons, other physicians and healthcare providers who employ its products in the course of their practices. The business of the Company is dependent upon the relationships maintained by its distributors and salespersons with these customers, as well as the Company's ability to design and manufacture products that meet the physicians' technical requirements at a competitive price. Major international markets for the Company's products are Western Europe, Australia, Canada, Asia Pacific and Latin America. The Company's business in these markets is subject to pricing pressures and currency fluctuation risks. As the Company continues to expand in key international markets, it faces obstacles created by competition, governmental regulations and regulatory requirements.

For the fiscal years ended May 31, 2002, 2001 and 2000, the Company's foreign sales aggregated $335,527,000, $308,291,000 and $311,289,000, respectively, or 28%, 30% and 34% of net sales, respectively. During fiscal year 2002, foreign sales were reduced by $7 million due to foreign currency translations. Additional data concerning net sales to customers, operating income, long-lived assets, capital expenditures and depreciation and amortization by geographic areas are set forth in Note K of the Notes to Consolidated Financial Statements included in Item 8 of this Report and are incorporated herein by reference.

The Company consigns inventory throughout the world to its customers and to its distributors and direct salespersons for their use in marketing its products and in filling customer orders. As of May 31, 2002, inventory of approximately $118,994,000 was consigned to these distributors, salespersons and customers.

COMPETITION

The business of the Company is highly competitive. Major competitors in the orthopedic reconstructive device market include DePuy, Inc., a subsidiary of Johnson & Johnson; Stryker Howmedica Osteonics, a subsidiary of Stryker Corp.; Zimmer, Inc., a subsidiary of Zimmer Holdings, Inc.; Smith & Nephew plc and Sulzer Orthopedics, Inc., a subsidiary of Centerpulse AG (formerly Sulzer Medica AG). Management believes these five companies, together with Biomet Orthopedics, have the predominant share of the orthopedic reconstructive device market. Competition within the industry is primarily based on service and product design, although price competition is an important factor as providers continue to be concerned with health care costs. The Company believes that its prices for orthopedic reconstructive devices are competitive with those in the industry. The average selling prices in the United States of Biomet Orthopedics' products have increased 5% during fiscal year 2002 as a result of a shift to higher priced goods and an increase in the price of its products. The Company believes its future success will depend upon its service and responsiveness to its distributors and orthopedic specialists, and upon its ability to design and market innovative and technologically-advanced products that meet the needs of the marketplace.

EBI's spinal fixation systems compete with those of Medtronic/Sofamor Danek, Inc., a subsidiary of Medtronic, Inc.; DePuy AcroMed Corporation, a subsidiary of Johnson & Johnson; Synthes, Inc.; Centerpulse Spine-Tech, Inc., a division of Centerpulse AG; Interpore International, Inc.; Stryker Spine, a division of Stryker Corp.; and others.

EBI's external fixation devices compete with other external fixation devices primarily on the basis of price, ease of application and clinical results. EBI's principal competitors in the external fixation market are Smith & Nephew plc; Stryker Corp.; Synthes, Inc. and Orthofix, Inc., a subsidiary of Orthofix International N.V. The Company's internal fixation product lines compete with those of ACE Orthopedics, a division of Johnson & Johnson; Zimmer, Inc., a subsidiary of Zimmer Holdings, Inc.; Smith & Nephew plc; and Synthes, Inc.

3i products compete in the areas of dental reconstructive implants and related products. Its primary competitors in the dental implant market include Straumann AG; Nobel Biocare AB and Centerpulse Dental, Inc., a subsidiary of Centerpulse AG.

EBI is the market leader in the bone growth stimulation market. EBI's electrical stimulation products include implantable and non-invasive devices indicated for spinal fusion applications and bone growth stimulation applications. The implantable spinal fusion stimulation systems and bone growth stimulation products are used as an adjunct to conventional surgical procedures to enhance the success rates of these procedures. EBI's non-invasive bone growth stimulation products are utilized in long-bone recalcitrant fractures as an alternative to surgical procedures. Other companies offering products in the electrical stimulation market include Orthofix, Inc., a subsidiary of Orthofix International N.V.; OrthoLogic Corp.; and Exogen, Inc., a subsidiary of Smith & Nephew plc. Competition in the electrical stimulation market is on the basis of product design, service and success rates of various treatment alternatives. EBI's non-invasive stimulators offer advantages over conventional surgery or invasive products in that their use eliminates hospital, surgeon and operating room costs, and these products can be used in the presence of infection without creating a risk of additional infection. EBI's implantable stimulators offer the advantage of conformance to surgical practice and do not require maintenance by the patient.

Lorenz Surgical primarily competes in the craniomaxillofacial fixation and specialty surgical instrumentation and neurosurgical cranial flap fixation

markets. Its competitors include Synthes, Inc.; Stryker-Leibinger, a subsidiary of Stryker Corp.; Bionx Implants, Inc.; Aesculap AG & Co.; ACE Surgical Supply Company, Inc.; MacroPore, Inc.; KLS-Martin, L.P.; Osteomed Corp.; and Hu-Friedy Dental.

Arthrotek products compete primarily in the areas of procedure-specific implants and instruments, manual instruments and power instruments. Competitors include Smith & Nephew Endoscopy, a division of Smith & Nephew plc; Stryker Corp; Linvatec Corp., a subsidiary of CONMED Corporation; Mitek, a division of Ethicon, a Johnson & Johnson Company; Arthrex, Inc.; and Bionx Implants, Inc.

RAW MATERIALS AND SUPPLIES

The raw materials used in the manufacture of the Company's orthopedic reconstructive devices are principally nonferrous metallic alloys, stainless steel and polyethylene powder. With the exception of the concerns discussed below regarding the supply of polyethylene powder, none of the Company's raw material requirements are limited to any material extent by critical supply or single origins. The demand for certain raw materials used by the Company, such as cobalt alloy and titanium, is somewhat cyclical in nature. The primary buyers of these metallic alloys are in the aerospace industry. If the demands of the aerospace industry should increase dramatically, the Company could experience complications in obtaining these raw materials.

However, based on its current relationship with its suppliers, the Company does not anticipate a material shortage in the foreseeable future. Further, the Company believes that its inventory of raw materials is sufficient to meet any short-term supply shortages of metallic alloys.

Suppliers of polyethylene powder have expressed an increasing level of concern due to perceived product liability exposure in the medical device industry. The Company believes that the concern of the suppliers is related to the litigation involving the use of silicone in breast implants and attempts by plaintiffs' class action lawyers to pursue lawsuits against the manufacturers of the raw material, i.e., silicone. The concern expressed to the Company was two-fold: first, demand for polyethylene powder from manufacturers of medical devices represents a nominal portion of the aggregate business of suppliers of polyethylene powder and, second, the legal risk for manufacturers of raw material selling to the medical device industry is significant. More recent product liability class action litigation involving medical devices has most likely served to increase general concern in the industry. While the Company continues to have a source from which to purchase polyethylene powder, the Company is aware of the concerns expressed by suppliers of polyethylene powder, and recognizes that any heightened concern could potentially result in suppliers refusing to supply this raw material to the Company.

EBI purchases all components of its electrical stimulators from approximately 250 outside suppliers, approximately 15 of whom are the single source of supply for the particular product. In most cases, EBI believes that all components are replaceable with similar components. In the event of a shortage, there are alternative sources of supply available for all components, but some time would likely elapse before EBI's orders could be filled.

3i purchases all materials to produce its products from approximately 82 suppliers, approximately 21 of whom are the single source of supply for the particular product. 3i believes that, in the event of a shortage, there are alternative sources of supply for all products, and maintains an inventory of

materials sufficient to meet any short-term shortages of supply. The results of the Company's operations are not materially dependent on raw material costs.

EMPLOYEES

As of May 31, 2002, the Company's domestic operations (including Puerto Rico) employed approximately 3,240 persons, of whom approximately 1,710 are engaged in production and approximately 1,530 in research and development, sales, marketing, administrative and clerical efforts. The Company's international subsidiaries employ approximately 1,490 persons, of whom approximately 700 are engaged in production and approximately 790 in research and development, sales, marketing, administrative and clerical efforts. None of the Company's principal domestic manufacturing employees are represented by a labor union. The production employees at its Bridgend, South Wales facility are organized. Employees working at the facilities in Darmstadt and Berlin, Germany; Valence, France; and Valencia, Spain are represented by statutory Workers' Councils which negotiate labor hours and termination rights. The Workers' Councils do not directly represent such employees with regard to collective bargaining of wages or benefits. The Company believes that its relationship with all of its employees is satisfactory.

The establishment of Biomet's domestic operations in north central Indiana, near other members of the orthopedic industry, provides access to the highly skilled machine operators required for the manufacture of Biomet products. The Company's European manufacturing locations in South Wales, England, France, Spain and Germany also provide good sources for skilled manufacturing labor. EBI's Puerto Rican operations principally involve the assembly of purchased components into finished products using a skilled labor force.

PATENTS AND TRADEMARKS

The Company believes that patents and other intellectual property will continue to be of importance in the musculoskeletal industry. Accordingly, management continues to protect technology developed internally and to acquire intellectual property rights associated with technology developed outside the Company. Management enforces its intellectual property rights consistent with the Company's strategic objectives. The Company does not believe that it has any single patent or license (or series of patents or licenses), which is material to its operations. The Company is not aware of any single patent, the loss or invalidity of which would be material to its consolidated revenues or earnings.

BIOMET, EBI, W. LORENZ, 3i and ARTHROTEK are the Company's principal registered trademarks in the United States, and federal registration has been obtained or is in process with respect to various other trademarks associated with the Company's products. The Company holds or has applied for registrations of various trademarks in its principal foreign markets. Unless otherwise noted in this Report, all trademarks contained herein are owned by Biomet, Inc. or one of its affiliates.

RISK FACTORS

Risk factors facing the Company's business include, but are not limited to the following: the increasing cost of product development efforts incorporating technology advances, the litigious nature of the U.S. health care industry, a potential downward trend of reimbursement prices throughout the world, currency fluctuations and the financial stability of global markets for the Company's products.

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SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized on April 4, 2003.

BIOMET, INC.

By: /s/ GREGORY D. HARTMAN

Gregory D. Hartman, Senior Vice President - Finance
(Principal Financial Officer)

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CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER REGARDING FACTS AND CIRCUMSTANCES RELATING TO AMENDED ANNUAL REPORTS

I, Dane A. Miller, certify that:

1. I have reviewed this amended annual report on Form 10-K/A of Biomet, Inc.;

2. Based on my knowledge, this amended annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this amended annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this amended annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this amended annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this amended annual report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this amended annual report (the "Evaluation Date"); and

(c) presented in this amended annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this amended annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Date: 4/4/2003

/s/ Dane A. Miller

Dane A. Miller
President and Chief Executive Officer

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CERTIFICATIONS OF PRINCIPAL EXECUTIVE OFFICER AND PRINCIPAL FINANCIAL OFFICER REGARDING FACTS AND CIRCUMSTANCES RELATING TO AMENDED ANNUAL REPORTS

I, Gregory D. Hartman, certify that:

1. I have reviewed this amended annual report on Form 10-K/A of Biomet, Inc.;

2. Based on my knowledge, this amended annual report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this amended annual report;

3. Based on my knowledge, the financial statements, and other financial information included in this amended annual report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this amended annual report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and we have:

(a) designed such disclosure controls and procedures to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this amended annual report is being prepared;

(b) evaluated the effectiveness of the registrant's disclosure

controls and procedures as of a date within 90 days prior to the filing date of this amended annual report (the "Evaluation Date"); and

(c) presented in this amended annual report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent function):

(a) all significant deficiencies in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

(b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this amended annual report whether or not there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weakness.

Date: 4/4/2003

/s/ Gregory D. Hartman

Gregory D. Hartman
Senior Vice President - Finance
and Chief Financial Officer

BIOMET, INC.

FORM 10-K

MAY 31, 2002

INDEX TO EXHIBITS

NUMBER ASSIGNED IN REGULATION S-K, ITEM 601		TITLE OF EXHIBITS
(2)		No exhibit
(3)	3.1	Amended Articles of Incorporation filed July 23,1982. (Incorporated by reference to Exhibit 3(a) to Biomet, Inc. Form S-18 Registration Statement, File No. 2-78589C).
	3.2	Articles of Amendment to Amended Articles of Incorporation filed July 11, 1983. (Incorporated by reference to Exhibit 3.2 to Biomet, Inc. Form 10-K Report for year ended May 31, 1983, File No. 0-12515).

	3.3	Articles of Amendment to Amended Articles of Incorporation filed August 22, 1987. (Incorporated by reference to Exhibit 3.3 to Biomet, Inc. Form 10-K Report for year ended May 31, 1987, File No. 0-12515).
	3.4	Articles of Amendment to the Amended Articles of Incorporation filed September 18, 1989. (Incorporated by reference to Exhibit 3.4 to Biomet, Inc. Form 10-K Report for year ended May 31, 1990, File No. 0-12515).
	3.5	Amended and Restated Bylaws as Amended December 13, 1997. (Incorporated by reference to Exhibit 3.6 to Biomet, Inc. Form 10-K Report for year ended May 31, 1998, File No. 0-12515).
(4)	4.1	Specimen certificate for Common Shares. (Incorporated by reference to Exhibit 4.1 to Biomet, Inc. Form 10-K Report for year ended May 31, 1985, File No. 0-12515).
	4.2	Rights Agreement between Biomet, Inc. and Lake City Bank as Rights Agent, dated as of December 16, 1999. (Incorporated by reference to Exhibit 4 to Biomet, Inc. Form 8-K Report dated December 16, 1999, File No. 0-12515).
(9)		No exhibit.
(10)	10.1	Employee Stock Option Plan, as last amended December 14, 1991. (Incorporated by reference to Exhibit 10.1 to Biomet, Inc. Form 10-K Report for year ended May 31, 1992, File No. 0-12515).
	10.2	Form of Employee Stock Option Agreement. (Incorporated by reference to Exhibit 10.2 to Biomet, Inc. Form 10-K Report for year ended May 31, 1991, File No. 0-12515).
	10.3	Employee and Non-Employee Director Stock Option Plan, dated September 18, 1992. (Incorporated by reference to Exhibit 19.1 to Biomet, Inc. Form 10-K Report for year ended May 31, 1993, File No. 0-12515).
	10.4	Form of Stock Option Agreement under the Employee and Non-Employee Stock Option Plan dated September 18, 1992. (Incorporated by reference to Exhibit 4.03 to Biomet, Inc. Form S-8 Registration Statement, File No. 33-65700).
	10.5	401(k) Profit Sharing Plan filed January 19,1996. (Incorporated by reference to Form S-8 Registration Statement, File No. 333-00331).
	10.6	Biomet, Inc. 1998 Qualified and Non-Qualified Stock Option Plan adopted August 3, 1998. (Incorporated by reference to Exhibit 10.6 to Biomet, Inc. Form 10-K Report for year ended May 31, 1998, File No. 0-12515).
	10.7	Joint Venture Agreement between Biomet, Inc. and Merck KGaA dated as of November 24, 1997 (Incorporated by reference to Exhibit 2.01 to Biomet, Inc. Form 8-K Current Report dated February 17, 1998, Commission File No. 0-12515).
(11)		No exhibit.
(12)		No exhibit.

(13) No exhibit.

(16) No exhibit.

(18) No exhibit.

(21) No exhibit.

(22) No exhibit.

(23) No exhibit.

(24) No exhibit.

(99) 99.1 Written Statement of Chief Executive Officer and Chief Financial Officer Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.