



## **dj Orthopedics Establishes Direct Distribution in Canada; New Wholly-Owned Subsidiary to Accelerate Growth and Time to Market**

SAN DIEGO--(BW HealthWire)--May 7, 2002--dj Orthopedics Inc. (NYSE:DJO), a designer, manufacturer and marketer of products and services for the orthopedic sports medicine market, announced today that it has formed a wholly-owned subsidiary to provide direct distribution in Canada.

Effective immediately, the new subsidiary, dj Ortho, Canada Inc., will take direct responsibility for the sales, marketing and distribution of DonJoy® and ProCare® branded products throughout Canada. The distribution of these products was previously handled by Smith & Nephew Inc. (NYSE:SNN).

Earlier this year, dj Orthopedics formed subsidiaries in Germany and the United Kingdom. To date, the transition to company-controlled distribution in these markets has been a success, contributing to an improvement in gross margins during the first quarter of 2002. dj Orthopedics expects to see the same type of improvements resulting from the transition to direct distribution in Canada.

"The conversion to direct sales in Canada represents another milestone in the execution of our strategy to increase international revenues and profits," said Les Cross, president and CEO of dj Orthopedics. "We believe that more direct control of the distribution networks will allow us to accelerate the launch of new products as well as improve margins."

dj Orthopedics is a global orthopedic sports medicine company specializing in the design, manufacture and marketing of surgical and non-surgical products and services that repair, regenerate and rehabilitate soft tissue and bone, help protect against injury and treat osteoarthritis of the knee. Its broad range of over 600 existing products, many of which are based on proprietary technologies, includes rigid knee braces, soft goods, specialty and other complementary orthopedic products and its recently introduced line of surgical products. These products provide solutions for patients and orthopedic sports medicine professionals throughout the patient's continuum of care.

This press release contains or may contain forward-looking statements such as statements regarding the company's future growth and profitability, growth strategy and trends in the industry in which the company operates. These forward-looking statements are based on the company's current expectations and are subject to a number of risks, uncertainties and assumptions. Among the important factors that could cause actual results to differ significantly from those expressed or implied by such forward-looking statements are the risk that we may not be able to successfully implement our business strategy; our limited experience in designing, manufacturing and marketing products for the repair and regeneration segments of the orthopedic sports medicine market; our transition to direct distribution of our products in certain foreign countries; our ability to successfully develop or license and timely introduce and market new products or product enhancements; our dependence on our orthopedic professionals, agents and distributors for marketing our products; risks associated with our acquisition strategy and international operations; competition in our markets; the risk that our quarterly operating results are subject to substantial fluctuations; our high level of indebtedness and the restrictions imposed by the terms of our indebtedness; our ability to generate cash to service our debts; the effects of healthcare reform, managed care and buying groups on prices of our products; the uncertainty of domestic and foreign regulatory clearance and approval of our products; the sensitivity of our business to general economic conditions; uncertainty relating to third party reimbursement; pending litigation; and the other risk factors affecting the company detailed from time to time in the documents filed by the company with the Securities and Exchange Commission.

dj Orthopedics Inc.

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