



dj Orthopedics, LLC Reports Third Quarter 2001 Results

Vista, CA (October 29, 2001) -- dj Orthopedics, LLC, today announced its financial results for the quarter ended September 29, 2001. The Company's net revenues amounted to \$44.1 million, up \$4.2 million, or 10.5%, over the same period last year. EBITDA for the quarter ended September 29, 2001 amounted to \$8.4 million, up \$1.1 million, or 14.7%, over EBITDA (as adjusted) for the same period last year.

For the nine months ended September 29, 2001, net revenues amounted to \$127.4 million, up \$25.2 million, or 24.6%, over the same period last year. EBITDA for the first nine months of 2001 amounted to \$24.8 million, up \$3.7 million, or 17.5%, over EBITDA (as adjusted) for the same period last year. There was one less business day in the 2001 year to date period compared with the 2000 year to date period, resulting in approximately \$0.7 million less of revenues in the first nine months of 2001.

Growth over the prior year can be attributed to the acquisition of the bracing and soft goods business of DePuy Orthopaedic Technology, Inc. ("OrthoTech"), the introduction of new products, our dj Australia joint venture and the launch of the our surgical division, Alaron Surgical®.

Les Cross, president and CEO, commented, "This is our first quarter comparing actual results of operations for the current year to the prior year where both quarters include operational results from the OrthoTech acquisition. With the OrthoTech acquisition fully integrated, the third quarter demonstrated strong growth over the prior year in the key operational metrics of revenue, net income and EBITDA."

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.

The following is condensed consolidated financial data of dj Orthopedics, LLC:
(amounts in thousands)

	Three Months Ended		Nine Months Ended	
	September 29, 2001	September 30, 2000	September 29, 2001	September 30, 2000
	(Unaudited)			
Net revenues	\$ 44,078	\$ 39,873	\$ 127,361	\$ 102,186
Cost of goods sold	19,176	17,845	53,856	43,050
Gross profit	24,902	22,028	73,505	59,136
Operating expenses:				
Sales and marketing	12,147	11,036	35,661	26,751
General and administrative	6,206	5,495	18,270	14,529
Research and development	513	514	1,813	1,678
Merger and integration costs	-	-	-	400
		400		
Total operating expenses	18,866	17,445	55,744	43,358
Income from operations	6,036	4,583	17,761	15,778
Interest expense	(4,357)	(4,636)	(13,701)	(12,245)
Interest income	49	95	230	348
Net income	1,728	42	4,290	3,881
Less: Preferred stock dividends and accretion of preferred unit fee	(1,632)	(1,428)	(4,738)	(3,908)
Net income (loss) available to members	\$ 96	\$ (1,386)	\$ (448)	\$ (27)
EBITDA(1) data:				
Income from operations	\$ 6,036	\$ 4,583	\$ 17,761	\$ 15,778

Merger and integration costs	-	400	-	400
Depreciation and amortization	2,363	2,073	7,001	4,627
EBITDA	\$ 8,399	\$ 7,056	\$ 24,762	\$ 20,805
Step-up to fair value of acquired inventory	-	268	-	268
EBITDA (as adjusted)	\$ 8,399	\$ 7,324	\$ 24,762	\$ 21,073

September 29, December 31,
2001 2000
(Unaudited)

Assets:		
Current assets	\$ 70,530	\$ 60,384
Property, plant and equipment, net	14,880	12,785
Intangible assets, net	72,029	75,419
Other assets	7,485	7,084
Total	\$ 164,924	\$ 155,672
Liabilities and members' deficit:		
Current liabilities	\$ 25,124	\$ 21,689
Long-term obligations, net of current portion	194,898	197,608
Members' deficit	(55,098)	(63,625)
Total	\$ 164,924	\$ 155,672

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