



dj Orthopedics, LLC Reports Second Quarter Results and Completes First Full Year Post Recapitalization

VISTA, CA - dj Orthopedics, LLC today announced its financial results for the second quarter ended July 1, 2000 and for the first half of 2000, as the focused business strategy continues to deliver results. The quarter included the successful acquisition of certain assets and assumed liabilities of DePuy Orthopaedic Technology, Inc. (DePuy OrthoTech). The company's net revenues in the second quarter of 2000 amounted to \$30.1 million, up \$4.2 million or 16.2%, over the same period last year, with a 28.8% increase in gross profit for the quarter. Income from operations in the second quarter of 2000 amounted to \$5.4 million, up \$1.1 million or 26.7%, over the same period last year (adjusted for certain non-recurring costs). EBITDA for the second quarter of 2000 amounted to \$6.7 million, up \$1.2 million or 21.0%, over EBITDA (adjusted for certain non-recurring costs) for the same period last year.

For the six months ended July 1, 2000, net revenues amounted to \$61.6 million, up \$7.4 million or 13.6%, over the same period last year, with a 27.2% increase in gross profit for the half year. The gross margin improved from 56.8% to 59.8% (on a comparative basis, excluding brand royalties). Income from operations for the six months ended July 1, 2000 amounted to \$11.2 million, up \$2.1 million or 23.7%, over the same period last year (adjusted for certain non-recurring costs). EBITDA for the six months ended July 1, 2000 amounted to \$13.8 million, up \$2.3 million or 19.6%, over EBITDA (adjusted for certain non-recurring costs) for the same period last year.

Commenting, Les Cross, President and Chief Executive Officer, said: "We are delivering the results that we promised a year ago when the recapitalization of dj Orthopedics took place. Our strong growth over the prior year can be attributed to the development and introduction of several new products, namely the 4TITUDE™ and the OAdjuster™. Also, we are continuing to see strong growth in the OfficeCareSM program and the sales of PainBuster™ Pain Management System. Across the board, all product categories are showing strong growth. With sales growing in excess of two times the estimated market growth rates, it's clear proof that our products and services are meeting the needs of our ever-increasing customer base.

"Our focused business strategy, which includes broadening our market reach, enhancing and growing our core business and continuing to look for opportunities to expand our business platform, is developing well. For the first half of 2000 as compared to the prior year, domestic sales increased a strong 13.5% and international sales increased 14.3% as compared to prior year. The acquisition of OrthoTech enhances our core business and gives us an opportunity to better serve the customer, leverage our facilities both in Vista, California and Mexico, and expand our international and domestic sales force and market reach. Negotiations for licensing and distributing agreements for products that will expand our business platform by leveraging our sales force and customer relationships are continuing to move along at a brisk pace. Management is confident that the results achieved in the first year since the recapitalization are sustainable for the foreseeable future as well."

The second quarter of 2000 contained 2 more business days than the second quarter of 1999, which resulted in approximately \$1.0 million more revenue in the second quarter of 2000 as compared to the second quarter of 1999. Average revenues per day for the second quarter of 2000 were \$477,000, resulting in an increase of 12.5% over prior year average revenues. Average EBITDA per day for the second quarter of 2000 was \$106,000, resulting in an increase of 17.2% over prior year average EBITDA. The first six months of 2000 contained 3 more business days than the first six months of 1999, which resulted in approximately \$1.4 million more in revenue in the first six months of 2000 as compared to the first six months of 1999. Average revenues per day for the first six months of 2000 were \$482,000, resulting in an increase of 10.9% over prior year average revenues. Average EBITDA per day for the second quarter of 2000 was \$107,000, resulting in an increase of 16.8% over prior year average EBITDA.

On July 7, 2000 we completed the purchase of certain assets and assumed certain liabilities (the "OrthoTech Acquisition") of DePuy Orthopaedic Technology, Inc. related to DePuy Orthopaedic Technology, Inc.'s bracing and soft goods business ("OrthoTech"). OrthoTech develops, manufactures, and markets an array of orthopedic products for the sports medicine market, including braces, soft goods and specialty products which are similar to the products currently offered by us.

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OrthoTech also has an inventory management and billing program that will complement our current OfficeCare program. On a pro forma basis to give effect to the OrthoTech Acquisition, our net revenues and EBITDA would have been \$161.0 million and \$33.3 million, respectively, for the year ended 1999.

This press release contains forward-looking statements concerning the financial position of dj Orthopedics. Such statements are subject to certain risk factors and uncertainties. Actual results could differ materially from those projected in this press release. As a result, the reader is cautioned not to rely on these forward-looking statements. Factors that could cause or

contribute to such differences include, but are not limited to, those described in our Annual Report on Form 10-K for the year ended December 31, 1999 and in our most recent quarterly report on Form 10-Q, both of which are on file with the U.S. Securities Exchange Commission.

As the manufacturer and distributor of the highly regarded DonJoy® and ProCare® orthopedic lines, dj Orthopedics is considered the world market leader of orthopedic and sports related product lines. For more information, please contact Les Cross, president and chief executive officer, at (760) 734-3530 or Cy Talbot, senior vice president and chief financial officer, at (760) 734-3559 at 2985 Scott Street, Vista, CA 92083.

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