



## **dj Orthopedics, LLC Reports First Quarter Results**

VISTA, CA -- dj Orthopedics, LLC today announced its results for the three months ended April 1, 2000. Net revenues amounted to \$31.6 million, up \$3.2 million or 11.2% over the same period last year. EBITDA for the three months ended April 1, 2000 amounted to \$7.1 million, up \$1.1 million or 18.3% over EBITDA (adjusted for certain non-recurring costs) for the same period last year. The core business continues to out pace the market rate of growth, supported by enhancements to existing product lines such as the TROM™ post operative brace and the 4TITUDE™ knee brace, and the expansion of the more recent pain management product line. Our latest product offering, the OAdjuster™ brace, was introduced at the annual American Academy of Orthopedic Surgeons meeting in Orlando during March, and received superb reception from the market. Revenues in our international and domestic segments of the business grew in excess of 12% and 10%, respectively, over the prior year first quarter.

Les Cross, president and CEO, commented, "We are pleased with our continuing progress made in achieving our strategic objectives; this is our third quarter as a stand alone company and our third quarter with record results."

With our strategic initiatives firmly in place, implementation becomes the focus of our efforts. With double-digit revenue growth in the international segment, improving gross profits from continued manufacturing efficiencies and the rapid implementation of our new enterprise software system, we are confident of achieving our goals. Gross profit results of 59.9% for the first quarter 2000 are evident of success when compared to adjusted first quarter 1999 at 56.5% (adjusted for brand royalties paid to our former parent, which are no longer incurred on a stand alone basis). During this same period, operating expenses increased to 41.5% of revenues, up from adjusted first quarter 1999 at 39.6% (adjusted for prior year corporate allocations from our former parent). The operating expenses reflect the commission expense from domestic sales increases and our investment in the ERP system training and implementation. 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 CEO at (760) 734-3530 or Cy Talbot, vice president and CFO at (760) 734-3559. dj Orthopedics, LLC is located at 2985 Scott Street, Vista, CA 92083.

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