

LVB Acquisition, Inc.
Form 10-Q
January 14, 2014
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UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-Q

(Mark One)

☒ QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT
OF 1934

For the quarterly period ended November 30, 2013.

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 Number 000-54505

Commission File Number 001-15601

LVB ACQUISITION, INC.
BIOMET, INC.

(Exact name of registrant as specified in its charter)

Delaware	26-0499682
Indiana	35-1418342
(State or other jurisdiction of incorporation or organization)	(I.R.S. 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)	

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.

LVB ACQUISITION, INC. Yes ☒ No ☐

BIOMET, INC. Yes ☒ No ☐

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T

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(§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

LVB ACQUISITION, INC. Yes ☒ No ☐

BIOMET, INC. Yes ☒ No ☐

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See the definitions of “large accelerated filer,” “accelerated filer” and “smaller reporting company” in Rule 12b-2 of the Exchange Act. (Check one):

LVB ACQUISITION, INC.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
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Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
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BIOMET, INC.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
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Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
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Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act).

LVB ACQUISITION, INC. Yes ☐ No ☒

BIOMET, INC. Yes ☐ No ☒

The number of shares of the registrants' common stock outstanding as of December 31, 2013:

LVB ACQUISITION, INC. 552,396,383 shares of common stock

BIOMET, INC. 1,000 shares of common stock

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PART I. FINANCIAL INFORMATION

Explanatory Note

This Form 10-Q is a combined quarterly report being filed separately by two registrants: LVB Acquisition, Inc. (“LVB”) and Biomet, Inc. (“Biomet”). Unless the context indicates otherwise, any reference in this report to the “Company,” “we,” “us” and “our” refer to LVB, Biomet and their subsidiaries. Each registrant hereto is filing on its own behalf all of the information contained in this quarterly report that relates to such registrant. Each registrant hereto is not filing any information that does not relate to such registrant, and therefore makes no representation as to any such information.

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Item 1. Condensed Consolidated Financial Statements.

LVB Acquisition, Inc. and Subsidiaries Condensed Consolidated Balance Sheets

(in millions, except shares)

	(Unaudited) November 30, 2013	May 31, 2013
Assets		
Current assets:		
Cash and cash equivalents	\$176.2	\$355.6
Accounts receivable, less allowance for doubtful accounts receivables of \$33.1 (\$33.5 at May 31, 2013)	592.6	531.8
Inventories	701.3	624.0
Deferred income taxes	121.7	119.9
Prepaid expenses and other	128.8	141.3
Total current assets	1,720.6	1,772.6
Property, plant and equipment, net	692.7	665.2
Investments	24.8	23.0
Intangible assets, net	3,547.7	3,630.2
Goodwill	3,652.8	3,600.9
Other assets	98.8	102.8
Total assets	\$9,737.4	\$9,794.7
Liabilities & Shareholders' Equity		
Current liabilities:		
Current portion of long-term debt	\$34.2	\$40.3
Accounts payable	102.1	111.5
Accrued interest	57.6	56.2
Accrued wages and commissions	124.7	150.1
Other accrued expenses	242.7	206.0
Total current liabilities	561.3	564.1
Long-term liabilities:		
Long-term debt, net of current portion	5,862.6	5,926.1
Deferred income taxes	1,053.2	1,129.8
Other long-term liabilities	191.5	206.1
Total liabilities	7,668.6	7,826.1
Commitments and contingencies		
Shareholders' equity:		
Common stock, par value \$0.01 per share; 740,000,000 shares authorized; 552,396,383 and 552,359,416 shares issued and outstanding	5.5	5.5
Contributed and additional paid-in capital	5,670.9	5,662.0
Accumulated deficit	(3,657.0)	(3,693.0)
Accumulated other comprehensive income (loss)	49.4	(5.9)
Total shareholders' equity	2,068.8	1,968.6
Total liabilities and shareholders' equity	\$9,737.4	\$9,794.7

The accompanying notes are an integral part of the condensed consolidated financial statements.

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LVB Acquisition, Inc. and Subsidiaries Condensed Consolidated Statements of Operations and Comprehensive Income (Loss)
(in millions)

	(Unaudited) For the Three Months Ended		(Unaudited) For the Six Months Ended	
	November 30, 2013	November 30, 2012	November 30, 2013	November 30, 2012
Net sales	\$825.7	\$790.1	\$1,556.4	\$1,497.5
Cost of sales	285.0	236.0	522.2	464.1
Gross profit	540.7	554.1	1,034.2	1,033.4
Selling, general and administrative expense	310.5	296.8	594.6	592.9
Research and development expense	41.4	36.4	78.9	72.2
Amortization	75.2	77.7	150.7	