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News Releases

Cremascoli Ortho Group to Merge into Wright Medical Technology, Inc.

ARLINGTON, Tenn. (December 17, 1999) — Wright Medical Technology, Inc. and Cremascoli Ortho Group announced today that they have reached an agreement for the Cremascoli Ortho Group to merge into Wright Medical Technology. The transaction will be funded by proceeds from Warburg, Pincus Equity Partners, L.P. and The Vertical Group, Inc. the principal shareholders of Wright Medical Technology. The transaction is expected to close by year end.

"Cremascoli Ortho is a well-run company and provides a great strategic fit for Wright Medical Technology," said Thomas Patton, President and Chief Executive Officer of Wright Medical Technology. "It has terrific distribution, a strong and experienced management team with European expertise in key countries, and an operational and manufacturing infrastructure which provides a greater platform for continuing market growth."

"We are very excited about the opportunities that this combination offers," said Paul Donnelly, President and Chief Executive Officer of Cremascoli Ortho Group. "Our principal product lines are complimentary and the two companies have very little distribution overlap. In most markets or regions where Wright is strong, Cremascoli is not and vice versa creating real opportunity for adding value."

Located in Arlington, Tennessee, Wright Medical Technology, Inc. serves the orthopaedic surgery community with a broad range of prosthetic hip and knee joint systems such as the new and innovative ADVANCE® Medial Pivot Knee. Wright Medical Technology is also the world's leading manufacturer of hand and foot implants and is a leader in the emerging market for bone graft materials with its OSTEASET® product line.

The Cremascoli Ortho Group is a leader in the European market with direct distribution in Italy, France, Great Britain, Belgium, Spain, and Germany. With manufacturing facilities in Toulon, France and R&D facilities in Milan, Italy, Cremascoli Ortho has a well-deserved reputation for quality and responsiveness to the needs of European surgeons.

"This transaction will allow both companies to provide a greater line of innovative products to our loyal and growing customer base," added Patrizio Cremascoli who founded the company more than twenty years ago and is still active in the business. "The technology of Wright Medical Technology is complimentary and their customer focused philosophy is closely aligned with our own. We are confident, therefore, that the assimilation of the two businesses will be a smooth one."

"We believe that the new company formed by combining Wright Medical Technology and Cremascoli Ortho represents an excellent growth and investment opportunity," said Elizabeth H. Weatherman, Managing Director for E.M. Warburg, Pincus and Co., L.L.C. "The complimentary strengths of Wright and Cremascoli will create a new company with a broad product line and world-wide distribution, but also one which will be still small enough to be responsive to the fast changing technology and service needs of its customers. As the new company's financial partner, we are committed to the investments required to execute management's vision of the future for the combined Wright Medical Technology-Cremascoli Ortho."

Warburg Pincus, a major global private equity firm, has invested in over 300 companies since 1971 and is currently managing a portfolio of over \$8 billion of investments worldwide. Warburg Pincus and The Vertical Group have considerable experience investing in the medical device industry, including the acquisition of Xomed Surgical Products, Inc. from Bristol-Meyers Squibb in 1994, and the acquisition of American Medical Systems, Inc. from Pfizer Inc. in 1998.