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Wright Medical Group, Inc. Reports Results for Second Quarter Ended June 30, 2006

Second Quarter Sales and Adjusted Earnings Exceed Communicated Guidance Ranges

Company Confirms Outlook for Return to Strong Adjusted Earnings Growth by the Fourth Quarter

ARLINGTON, TN – July 26, 2006 - Wright Medical Group, Inc. (NASDAQ: WMGI), a global orthopaedic medical device company specializing in the design, manufacture and marketing of reconstructive joint devices and biologics, today reported financial results for its second quarter ended June 30, 2006.

Net sales totaled \$87.5 million during the second quarter ended June 30, 2006, representing a 6% increase over net sales of \$82.8 million during the second quarter of 2005. Net sales during the second quarter reached a record level for any quarter in the Company's history. The impact of foreign currency on net sales was not material for the second quarter of 2006. Net income for the second quarter of 2006 totaled \$2.8 million or \$0.08 per diluted share, including the after-tax effect of approximately \$3.1 million of non-cash stock-based compensation related to FASB Statement No. 123R. Excluding stock-based compensation, net income, as adjusted, totaled \$5.2 million, or \$0.15 per diluted share, for the second quarter of 2006. Net income for the second quarter of 2005 totaled \$7.8 million, or \$0.22 per diluted share. A reconciliation of U.S. GAAP to "as adjusted" results is included in the attached financial tables.

For the first six months of 2006, the Company's net sales totaled \$173.7 million, representing a 5% increase over net sales of \$165.4 million for the first half of 2005. Excluding the impact of foreign currency, net sales increased 6% during the first half of 2006. Net income for the first six months of 2006 totaled \$5.1 million, or \$0.14 per diluted share, including the after-tax effect of approximately \$6.5 million of non-cash stock-based compensation. Excluding stock-based compensation, net income, as adjusted, totaled \$10.3 million, or \$0.29 per diluted share. Net income for the first half of 2005 totaled \$15.0 million, or \$0.43 per diluted share.

Gary D. Henley, President and Chief Executive Officer commented, "We are pleased with our second quarter financial performance, which surpassed both the quarterly sales and earnings targets we had previously established for the quarter. Moreover, we are encouraged with the progress we have made thus far toward restoring the predictability of our business model and returning the Company to its stated long-term financial performance objectives. At the beginning of 2006, we established an objective of returning our business to a growth profile of low- to mid-teens annualized sales growth accompanied by improving operating profitability as we exit 2006 and begin 2007. Looking forward, we are confident in our ability to meet this objective and, specifically, in our ability to return meaningful operating leverage to the business by the fourth quarter as revenue growth accelerates through the second half of 2006."

Mr. Henley continued, "Since joining the Company in April, I have focused my efforts on getting to know our customers and the outstanding people that make up Wright Medical, enhancing the processes that will enable future sales growth acceleration, positioning the business for continued geographic market expansion and continuing to improve the overall operating efficiency and cost-effectiveness of the business. What I have seen in my first 120 days with the Company has made me become even more confident in the future prospects for our business. We possess both the opportunities and capabilities needed to drive future growth, and I look forward to taking advantage of both as the year progresses."

Sales Review

Globally, the Company experienced growth within its hip, extremity, and biologics product lines during the second quarter of 2006 of 14%, 8%, and 2%, respectively, while its knee sales declined by 2%. Domestic sales totaled \$54.1 million during the second quarter of 2006, and \$107.6 million in the first half of 2006, representing growth of 8% in both periods. In the U.S., the Company experienced growth across all of its major product lines during the second quarter of 2006. Second quarter domestic sales of the Company's hip, extremity, knee and biologics product lines reflected growth of 15%, 7%, 5% and 3%, respectively.

International sales, as reported, totaled \$33.4 million for the second quarter of 2006, an increase of 2% over the second quarter of 2005. For the first half of 2006, international sales reached \$66.2 million, an increase of 1% compared to the first half of 2005. The Company's international sales results included unfavorable foreign currency impacts totaling approximately \$130,000 and \$2.3 million during the second quarter and the first half of 2006, respectively.

Outlook

The Company's earnings targets, as communicated in the guidance ranges stated below for the full year 2006 and the third quarter of 2006, exclude the effect of possible future acquisitions, other material future business developments, and the impact of expensing non-cash stock-based compensation pursuant to FASB Statement No. 123R.

The Company has increased its previously-communicated sales target for the full year 2006 for a revised target range of \$338 million to \$342 million, representing an annual growth objective of approximately 6% to 7%, and has upwardly revised its previously-communicated earnings per share outlook, for a revised target range of \$0.59 to \$0.62 per diluted share for 2006, as adjusted, reflecting management's growing confidence in the Company's ability to regain its planned growth profile exiting the year.

The Company's anticipated targets for the third quarter of 2006 for net sales are in the range of \$78 million to \$80 million, representing a sales growth objective of 6% to 9% for the quarter, with earnings per share results ranging from \$0.11 to \$0.12 per diluted share, as adjusted.

As noted above, the Company's financial targets exclude the impact of non-cash stock-based compensation charges associated with FASB Statement No. 123R. While the amount of such non-cash charges will vary depending upon a number of factors, both within and beyond the Company's control, the Company currently estimates that the after-tax impact of stock-based compensation will range from \$0.32 to \$0.33 per diluted share for the full year 2006 and \$0.08 to \$0.09 per diluted share for the third quarter of 2006.

The Company's anticipated targets for net sales and earnings per share are forward-looking statements. They are subject to various risks and uncertainties that could cause the Company's actual results to differ materially from the anticipated targets. The anticipated targets are not predictions of the Company's actual performance. See the cautionary information about forward-looking statements in the "Safe-Harbor Statement" section of this press release.

Conference Call

As previously announced, the Company will host a conference call starting at 3:30 p.m. (Central Time) today. The live dial-in number for the call is 800-811-8830 (domestic) or 913-981-4904 (international). To access a simultaneous webcast of the conference call via the internet, go to the "Corporate – Investor Information" section of the Company's website located at www.wmt.com. A replay of the conference call by telephone will be available starting at 7:30 p.m. (Central Time) today and continuing until 12:00 a.m. (Central Time) on August 2, 2006. To hear this replay, dial 888-203-1112 (domestic) or 719-457-0820 (international) and enter the registration number 1073848. A replay of the conference call will also be available via the internet starting today and continuing for at least 12 months. To access a replay of the conference call via the internet, go to the "Corporate – Investor Information – Audio Archives" section of the Company's website located at www.wmt.com.

The conference call may include a discussion of non-GAAP financial measures. Reference is made to the most directly comparable GAAP financial measures, the reconciliation of the differences between the two financial measures, and the other information included in this press release or otherwise available in the “Corporate – Investor Information – Supplemental Financial Information” section of the Company's website located at www.wmt.com.

The conference call may include forward-looking statements. See the cautionary information about forward-looking statements in the “Safe-Harbor Statement” section of this press release.

Non-GAAP Financial Measures

The Company uses non-GAAP financial measures, such as net sales, excluding the impact of foreign currency, gross profit, as adjusted, operating income, as adjusted, net income, as adjusted and net income, as adjusted, per diluted share. The Company's management believes that the presentation of these measures provides useful information to investors. These measures may assist investors in evaluating the Company's operations, period over period. The measures exclude such items as business development activities, including purchased in-process research and development, the financial impact of significant litigation, and non-cash stock-based expense, all of which may be highly variable, difficult to predict and of a size that could have substantial impact on the Company's reported results of operations for a period. Management uses these measures internally for evaluation of the performance of the business, including the allocation of resources and the evaluation of results relative to employee performance compensation targets. Investors should consider these non-GAAP measures only as a supplement to, not as a substitute for or as superior to, measures of financial performance prepared in accordance with GAAP.

Safe-Harbor Statement

This press release contains “forward-looking statements” within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. All statements made in this press release, other than statements of historical fact, are forward-looking statements. Forward-looking statements reflect management's current knowledge, assumptions, beliefs, estimates, and expectations and express management's current views of future performance, results, and trends. The Company wishes to caution readers that actual results might differ materially from those described in the forward-looking statements. Forward-looking statements are subject to a number of risks and uncertainties, including the factors discussed in the Company's filings with the Securities and Exchange Commission (including the Company's annual report on Form 10-K for the year ended December 31, 2005 under the heading, “Risk Factors” and its quarterly reports), which could cause the Company's actual results to materially differ from those described in the forward-looking statements. Although the Company believes that the forward-looking statements are accurate, there can be no assurance that any forward-looking statement will prove to be accurate. A forward-looking statement should not be regarded as a representation by the Company that the results described therein will be achieved. The Company wishes to caution readers not to place undue reliance on any forward-looking statement. The forward-looking statements are made as of the date of this press release. The Company assumes no obligation to update any forward-looking statement after this date.

Wright Medical Group, Inc. is a global orthopaedic medical device company specializing in the design, manufacture and marketing of reconstructive joint devices and biologics. The Company has been in business for more than 50 years and markets its products in over 60 countries worldwide. For more information about Wright Medical, visit the Company's website at www.wmt.com.

--Tables Follow--

Wright Medical Group, Inc.
Condensed Consolidated Statements of Operations
(in thousands, except per share data--unaudited)

| | Three Months Ended | | Six Months Ended | |
|---|---------------------------|--------------------------|--------------------------|--------------------------|
| | June 30, 2006 | June 30, 2005 | June 30, 2006 | June 30, 2005 |
| Net sales | \$ 87,492 | \$ 82,789 | \$ 173,748 | \$ 165,390 |
| Cost of sales | 26,335 | 24,358 | 49,728 | 47,146 |
| Gross profit | 61,157 | 58,431 | 124,020 | 118,244 |
| Operating expenses: | | | | |
| Selling, general and administrative | 48,416 | 39,297 | 97,902 | 81,166 |
| Research and development | 6,476 | 5,704 | 13,819 | 10,601 |
| Amortization of intangible assets | 1,121 | 1,040 | 2,267 | 2,099 |
| Total operating expenses | 56,013 | 46,041 | 113,988 | 93,866 |
| Operating income | 5,144 | 12,390 | 10,032 | 24,378 |
| Interest (income) expense, net | (368) | (10) | (618) | 80 |
| Other (income) expense, net | (57) | (11) | 67 | 163 |
| Income before income taxes | 5,569 | 12,411 | 10,583 | 24,135 |
| Provision for income taxes | 2,819 | 4,644 | 5,524 | 9,099 |
| Net income | <u>\$ 2,750</u> | <u>\$ 7,767</u> | <u>\$ 5,059</u> | <u>\$ 15,036</u> |
| Net income per share, basic | <u>\$ 0.08</u> | <u>\$ 0.23</u> | <u>\$ 0.15</u> | <u>\$ 0.44</u> |
| Net income per share, diluted | <u>\$ 0.08</u> | <u>\$ 0.22</u> | <u>\$ 0.14</u> | <u>\$ 0.43</u> |
| Weighted-average number of common shares outstanding, basic | 34,248 | 33,911 | 34,223 | 33,893 |
| Weighted-average number of common shares outstanding, diluted | 35,300 | 35,228 | 35,261 | 35,209 |

Wright Medical Group, Inc.
Consolidated Sales Analysis
(dollars in thousands--unaudited)

| | Three Months Ended | | | Six Months Ended | | |
|---------------------|---------------------------|--------------------------|---------------------|--------------------------|--------------------------|---------------------|
| | June 30, 2006 | June 30, 2005 | % change | June 30, 2006 | June 30, 2005 | % change |
| Geographic | | | | | | |
| Domestic | \$ 54,118 | \$ 50,109 | 8.0% | \$ 107,575 | \$ 99,871 | 7.7% |
| International | 33,374 | 32,680 | 2.1% | 66,173 | 65,519 | 1.0% |
| Total net sales | <u>\$ 87,492</u> | <u>\$ 82,789</u> | <u>5.7%</u> | <u>\$ 173,748</u> | <u>\$ 165,390</u> | <u>5.1%</u> |
| Product Line | | | | | | |
| Hip products | \$ 32,563 | \$ 28,567 | 14.0% | \$ 62,943 | \$ 57,737 | 9.0% |
| Knee products | 24,121 | 24,534 | (1.7%) | 49,394 | 49,340 | 0.1% |
| Biologics products | 16,459 | 16,105 | 2.2% | 32,095 | 31,518 | 1.8% |
| Extremity products | 11,039 | 10,206 | 8.2% | 22,459 | 20,053 | 12.0% |
| Other | 3,310 | 3,377 | (2.0%) | 6,857 | 6,742 | 1.7% |
| Total net sales | <u>\$ 87,492</u> | <u>\$ 82,789</u> | <u>5.7%</u> | <u>\$ 173,748</u> | <u>\$ 165,390</u> | <u>5.1%</u> |

Wright Medical Group, Inc.
Reconciliation of Net Sales to Net Sales Excluding the Impact of Foreign Currency
(dollars in thousands--unaudited)

| | Three Months Ended June 30, 2006 | Six Months Ended June 30, 2006 |
|--|---|---|
| Net sales, as reported | \$ 87,492 | \$ 173,748 |
| Currency impact as compared to prior period | 133 | 2,272 |
| Net sales, excluding the impact of foreign currency | <u>\$ 87,625</u> | <u>\$ 176,020</u> |

Wright Medical Group, Inc.
Reconciliation of Non-GAAP Results of Operations
(in thousands, except per share data--unaudited)

| | Three Months Ended June 30, 2006 | | | Three Months Ended June 30, 2005 | | |
|--|---|---|------------------------|---|---|------------------------|
| | As Reported | Non-GAAP Adjust- ments (a) | As Adjusted | As Reported | Non-GAAP Adjust- ments (a) | As Adjusted |
| Net sales | \$ 87,492 | \$ - | \$ 87,492 | \$ 82,789 | \$ - | \$ 82,789 |
| Cost of sales | 26,335 | (163) (b) | 26,172 | 24,358 | - | 24,358 |
| Gross profit | 61,157 | 163 | 61,320 | 58,431 | - | 58,431 |
| Operating expenses: | | | | | | |
| Selling, general and administrative | 48,416 | (2,429) (b) | 45,987 | 39,297 | (114) (b) | 39,183 |
| Research and development | 6,476 | (494) (b) | 5,982 | 5,704 | (5) (b) | 5,699 |
| Amortization of intangible assets | 1,121 | - | 1,121 | 1,040 | - | 1,040 |
| Total operating expenses | 56,013 | (2,923) | 53,090 | 46,041 | (119) | 45,922 |
| Operating income | 5,144 | 3,086 | 8,230 | 12,390 | 119 | 12,509 |
| Interest (income) expense, net | (368) | - | (368) | (10) | - | (10) |
| Other expense (income), net | (57) | - | (57) | (11) | - | (11) |
| Income before income taxes | 5,569 | 3,086 | 8,655 | 12,411 | 119 | 12,530 |
| Provision for income taxes | 2,819 | 611 (c) | 3,430 | 4,644 | 48 (c) | 4,692 |
| Net income | <u>\$ 2,750</u> | <u>\$ 2,475</u> | <u>\$ 5,225</u> | <u>\$ 7,767</u> | <u>\$ 71</u> | <u>\$ 7,838</u> |
| Net income per share, basic | <u>\$ 0.08</u> | <u>\$ 0.07</u> | <u>\$ 0.15</u> | <u>\$ 0.23</u> | <u>\$ 0.00</u> | <u>\$ 0.23</u> |
| Net income per share, diluted | <u>\$ 0.08</u> | <u>\$ 0.07</u> | <u>\$ 0.15</u> | <u>\$ 0.22</u> | <u>\$ 0.00</u> | <u>\$ 0.22</u> |
| Weighted-average number of common shares outstanding, basic | <u>34,248</u> | <u>-</u> | <u>34,248</u> | <u>33,911</u> | <u>-</u> | <u>33,911</u> |
| Weighted-average number of common shares outstanding, diluted | <u>35,300</u> | <u>1</u> | <u>35,301</u> | <u>35,228</u> | <u>-</u> | <u>35,228</u> |

| | Six Months Ended June 30, 2006 | | | Six Months Ended June 30, 2005 | | |
|--|-----------------------------------|----------------------------------|------------------|-----------------------------------|----------------------------------|------------------|
| | As Reported | Non-GAAP Adjust- ments (a) | As Adjusted | As Reported | Non-GAAP Adjust- ments (a) | As Adjusted |
| Net sales | \$ 173,748 | \$ - | \$ 173,748 | \$165,390 | \$ - | \$ 165,390 |
| Cost of sales | 49,728 | (229) (b) | 49,499 | 47,146 | (11) (b) | 47,135 |
| Gross profit | 124,020 | 229 | 124,249 | 118,244 | 11 | 118,255 |
| Operating expenses: | | | | | | |
| Selling, general and administrative | 97,902 | (5,162) (b) | 92,740 | 81,166 | (315) (b) | 80,851 |
| Research and development | 13,819 | (1,071) (b) | 12,748 | 10,601 | (5) (b) | 10,596 |
| Amortization of intangible assets | 2,267 | - | 2,267 | 2,099 | - | 2,099 |
| Total operating expenses | 113,988 | (6,233) | 107,755 | 93,866 | (320) | 93,546 |
| Operating income | 10,032 | 6,462 | 16,494 | 24,378 | 331 | 24,709 |
| Interest (income) expense, net | (618) | - | (618) | 80 | - | 80 |
| Other expense (income), net | 67 | - | 67 | 163 | - | 163 |
| Income before income taxes | 10,583 | 6,462 | 17,045 | 24,135 | 331 | 24,466 |
| Provision for income taxes | 5,524 | 1,231 (c) | 6,755 | 9,099 | 131 (c) | 9,230 |
| Net income | <u>\$ 5,059</u> | <u>\$ 5,231</u> | <u>\$ 10,290</u> | <u>\$ 15,036</u> | <u>\$ 200</u> | <u>\$ 15,236</u> |
| Net income per share, basic | <u>\$ 0.15</u> | <u>\$ 0.15</u> | <u>\$ 0.30</u> | <u>\$ 0.44</u> | <u>\$ 0.01</u> | <u>\$ 0.45</u> |
| Net income per share, diluted | <u>\$ 0.14</u> | <u>\$ 0.15</u> | <u>\$ 0.29</u> | <u>\$ 0.43</u> | <u>\$ 0.00</u> | <u>\$ 0.43</u> |
| Weighted-average number of common shares outstanding, basic | <u>34,223</u> | <u>-</u> | <u>34,223</u> | <u>33,893</u> | <u>-</u> | <u>33,893</u> |
| Weighted-average number of common shares outstanding, diluted | <u>35,261</u> | <u>(33)</u> | <u>35,228</u> | <u>35,209</u> | <u>-</u> | <u>35,209</u> |

(a) These Non-GAAP adjustments reconcile the Company's GAAP results of operations to its as adjusted results of operations.

(b) These adjustments reflect non-cash stock based compensation.

(c) These adjustments reflect the tax impact of the above noted non-GAAP adjustments.

Wright Medical Group, Inc.
Condensed Consolidated Balance Sheets
(dollars in thousands--unaudited)

| | <u>June 30,</u> <u>2006</u> | <u>December 31,</u> <u>2005</u> |
|--|--------------------------------|------------------------------------|
| Assets | | |
| Current assets: | | |
| Cash and cash equivalents | \$ 53,351 | \$ 51,277 |
| Marketable securities | 26,485 | 25,000 |
| Accounts receivable, net | 69,578 | 61,729 |
| Inventories | 84,934 | 82,381 |
| Prepaid expenses and other current assets | 34,657 | 39,994 |
| Total current assets | <u>269,005</u> | <u>260,381</u> |
| Property, plant and equipment, net | 88,184 | 81,206 |
| Intangible assets, net | 19,196 | 20,553 |
| Other assets | 15,241 | 9,670 |
| Total assets | <u>\$ 391,626</u> | <u>\$ 371,810</u> |
| Liabilities and stockholders' equity | | |
| Current liabilities: | | |
| Accounts payable | \$ 13,927 | \$ 13,572 |
| Accrued expenses and other current liabilities | 50,823 | 45,055 |
| Current portion of long-term obligations | 1,393 | 5,628 |
| Total current liabilities | <u>66,143</u> | <u>64,255</u> |
| Long-term obligations | 1,108 | 1,728 |
| Other liabilities | 14,157 | 13,819 |
| Total liabilities | <u>81,408</u> | <u>79,802</u> |
| Stockholders' equity | <u>310,218</u> | <u>292,008</u> |
| Total liabilities and stockholders' equity | <u>\$ 391,626</u> | <u>\$ 371,810</u> |

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