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Contact: John K. Bakewell
(901) 867-4527

Wright Medical Group, Inc. Reports Results for Fourth Quarter Ended December 31, 2006

Fourth Quarter Sales Exceed Communicated Outlook Range

Quarterly Adjusted Net Income Increases 27%, Adjusted EPS Increases 24%; Operating Leverage and Earnings Growth Continues

ARLINGTON, TN – February 15, 2007 - 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 fourth quarter and full year ended December 31, 2006.

Net sales totaled $86.6 million during the fourth quarter ended December 31, 2006, representing an 8% increase over net sales of $80.3 million during the fourth quarter of 2005, and exceeding its previously communicated outlook range. Excluding the impact of foreign currency, net sales increased 6% during the fourth quarter. For the full year 2006, the Company's net sales totaled a record $338.9 million, representing a 6% increase over net sales of $319.1 million in 2005. The impact of foreign currency on net sales was not material for the full year 2006.

Net income for the fourth quarter of 2006 totaled $5.7 million or $0.16 per diluted share. Net income for the fourth quarter of 2005 totaled $2.0 million, or $0.06 per diluted share. Net income for the full year 2006 totaled $14.4 million, or $0.41 per diluted share. For the full year 2005, net income totaled $21.1 million, or $0.60 per diluted share.

Net income for the fourth quarter of 2006 included the after-tax effect of approximately $3.7 million of non-cash stock-based compensation related to FASB Statement No. 123R and a favorable $1.1 million tax benefit related to the resolution of certain foreign income tax matters. For the full year 2006, net income included the after-tax effects of approximately $13.8 million of non-cash stock-based compensation and the $1.5 million gain on the sale of an investment in the third quarter of 2006, as well as this quarter's $1.1 million income tax benefit. Net income for the fourth quarter and full year 2005 included the after-tax effects of approximately $1.7 million of costs incurred related to management changes in our U.S. and European operations, approximately $1.6 million of charges related to the termination of an agreement to distribute certain third party spinal products in Europe, approximately $1.5 million of charges related to a European distributor transition and the associated legal dispute, and approximately $700,000 of charges related to the disposal of a long-lived asset.

Excluding those previously mentioned items, fourth quarter net income, as adjusted, increased 27% to $7.5 million in 2006 from $5.9 million in 2005, while fourth quarter diluted earnings per share, as adjusted, increased 24% to $0.21 in 2006 from $0.17 per diluted share in 2005. For the full year 2006, net income, as adjusted, totaled $22.7 million as compared to $25.2 million in 2005, while net income, as adjusted, per diluted share totaled $0.64 in 2006 compared to $0.72 in 2005. A reconciliation of U.S. GAAP to "as adjusted" results is included in the attached financial tables.

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Gary D. Henley, President and Chief Executive Officer commented, “We are pleased with our fourth quarter financial performance, which exceeded the upper end of our quarterly sales outlook range while meeting the midpoint of our range of earnings expectations which we had revised upward in December. Our sales results were driven by the exceptional performance of our domestic hip business, which grew over prior year by 17%. Further, we continued to see improved sales results in our international markets, which grew 11% over prior year. This sales growth, combined with controlled spending, resulted in operating margin expansion and an adjusted net income growth of 27%.”

Mr. Henley continued, “The fourth quarter marked the one year anniversary of the beginning of the Company’s turnaround plan. Throughout 2006, we maintained a steady focus on the execution of that plan and are now very pleased with the results. Our revenue growth rate accelerated modestly from each quarter to the next throughout 2006 while we over-achieved the original bottom line guidance range that we established at the beginning of the year. Most importantly, during the second half of 2006 we successfully reintroduced operating expense leverage back into our business model, positioning ourselves for a continuation of earnings growth as we enter 2007.”

Sales Review

Globally, the Company experienced growth in its hip, biologics and extremity product lines of 15%, 10%, and 10% respectively and a decline of 2% in the Company’s knee product line, during the fourth quarter of 2006 when compared to the fourth quarter of 2005.

Domestic sales totaled $53.2 million during the fourth quarter of 2006 and $211.0 million for the full year 2006, representing increases of 6% and 7%, compared to the respective year-ago periods. Fourth quarter domestic sales of the Company’s hip, extremity and biologics lines reflected growth of 17%, 9%, and 3%, respectively. Fourth quarter domestic sales of the Company’s knee product line decreased by 5% compared to 2005.

International sales totaled $33.3 million during the fourth quarter of 2006, an increase of 11% compared to the fourth quarter of 2005. For the full year 2006, international sales reached $127.9 million, an increase of 5% compared to 2005. The Company’s international sales results included a favorable foreign currency impact totaling approximately $1.5 million during the fourth quarter of 2006 and an unfavorable foreign currency impact totaling $313,000 during the full year 2006. Excluding the impact of foreign currency, international sales increased 6% during the fourth quarter of 2006 and 5% during the full year 2006.

Outlook

The Company’s earnings targets, as communicated in the guidance ranges stated below for the full year and the first quarter of 2007, 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 reiterated its previously-communicated sales target for the full year 2007 of a range of $366 million to $374 million, and its previously-communicated as-adjusted earnings per share outlook of a target range for the full year of $0.71 to $0.76 per diluted share, representing annualized growth between approximately 11% and 19% for the full year.

The Company’s anticipated targets for the first quarter of 2007 for net sales are in the range of $90 million to $92 million, representing sales growth objectives between approximately 4% and 7% for the quarter, with as-adjusted earnings per share results ranging from $0.15 to $0.17 per diluted share, representing annualized growth between approximately 7% and 21% for the quarter.

As noted above, the Company’s financial targets exclude the impact of the 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, many of which not being within the Company’s control, the Company currently estimates that the after-tax impact of expenses associated with FAS 123R will range from $0.31 to $0.35 per diluted share for the full year 2007 and $0.08 to $0.09 per diluted share for the first quarter of 2007.

The Company's anticipated targets for net sales, adjusted earnings per share and stock-based compensation charges 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 800-289-0572 (domestic) or 913-981-5543 (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 February 22, 2007. To hear this replay, dial 888-203-1112 (domestic) or 719-457-0820 (international) and enter the registration number 4535069. 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, our Form 8-K filed with the SEC today, 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, operating income, as adjusted, net income, as adjusted, net income, as adjusted, per diluted share, and effective tax rate, as adjusted. 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		Year Ended	
	December 31, 2006	**December 31, 2005**	**December 31, 2006**	**December 31, 2005**
Net sales	$ 86,553	$ 80,268	$ 338,938	$ 319,137
Cost of sales	24,989	24,343	97,234	91,752
Gross profit	61,564	55,925	241,704	227,385
Operating expenses:				
Selling, general and administrative	49,177	46,089	192,573	167,365
Research and development	5,557	5,784	25,551	22,289
Amortization of intangible assets	895	1,131	4,149	4,250
Total operating expenses	55,629	53,004	222,273	193,904
Operating income	5,935	2,921	19,431	33,481
Interest expense (income), net	61	(85)	(1,127)	(176)
Other (income) expense, net	(160)	31	(1,643)	237
Income before income taxes	6,034	2,975	22,201	33,420
Provision for income taxes	287	932	7,790	12,355
Net income	$ 5,747	$ 2,043	$ 14,411	$ 21,065
Net income per share, basic	$ 0.16	$ 0.06	$ 0.42	$ 0.62
Net income per share, diluted	$ 0.16	$ 0.06	$ 0.41	$ 0.60
Weighted-average number of common shares outstanding, basic	34,864	34,077	34,434	33,959
Weighted-average number of common shares outstanding, diluted	35,843	35,026	35,439	35,199

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

	Three Months Ended			Year Ended		
	December 31, 2006	**December 31, 2005**	**% change**	**December 31, 2006**	**December 31, 2005**	**% change**
Geographic						
Domestic	$ 53,226	$ 50,270	5.9%	$ 211,015	$ 197,547	6.8%
International	33,327	29,998	11.1%	127,923	121,590	5.2%
Total net sales	$ 86,553	$ 80,268	7.8%	$ 338,938	$ 319,137	6.2%
Product Line						
Hip products	$ 31,485	$ 27,387	15.0%	$ 122,073	$ 109,267	11.7%
Knee products	22,880	23,262	(1.6%)	94,079	94,073	0.0%
Biologics products	17,525	15,868	10.4%	65,455	62,358	5.0%
Extremity products	11,782	10,680	10.3%	45,044	40,594	11.0%
Other	2,881	3,071	(6.2%)	12,287	12,845	(4.3%)
Total net sales	$ 86,553	$ 80,268	7.8%	$ 338,938	$ 319,137	6.2%

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

	Three Months Ended December 31, 2006	Year Ended December 31, 2006
Net sales, as reported	$ 86,553	$ 338,938
Currency impact as compared to respective prior period	(1,454)	313
Net sales, excluding the impact of foreign currency	$ 85,099	$ 339,251

Wright Medical Group, Inc.
Reconciliation of As Reported Results to Non-GAAP Financial Measures
(dollars in thousands, except per share data --unaudited)

	Three Months Ended		Year Ended	
	December 31, 2006	December 31, 2005	December 31, 2006	December 31, 2005
Operating Income				
Operating income, as reported	$ 5,935	$ 2,921	$ 19,431	$ 33,481
Reconciling items impacting Gross Profit:				
Non-cash, stock-based compensation	367	1	854	12
Termination of distribution agreement	-	1,497	-	1,497
Total	367	1,498	854	1,509
Reconciling items impacting Selling, General and Administrative expenses:				
Non-cash, stock-based compensation	2,758	69	10,766	449
Termination of distribution agreement	-	139	-	139
Severance costs	-	1,582	-	1,582
European distributor transition	-	1,500	-	1,500
Write-down of long-lived asset	-	694	-	694
Total	2,758	3,984	10,766	4,364
Reconciling items impacting Research and Development expenses:				
Non-cash, stock-based compensation	593	1	2,220	6
Severance costs	-	161	-	161
Total	593	162	2,220	167
Operating income, as adjusted	$ 9,653	$ 8,565	$ 33,271	$ 39,521
Operating income, as adjusted, as a percentage of net sales	11.2%	10.7%	9.8%	12.4%

Wright Medical Group, Inc.
Reconciliation of As Reported Results to Non-GAAP Financial Measures
(continued)

	Three Months Ended		Year Ended	
	December 31, 2006	**December 31, 2005**	**December 31, 2006**	**December 31, 2005**
Net Income				
Net income, as reported	$ 5,747	$ 2,043	$ 14,411	$ 21,065
Pre-tax impact of reconciling items:				
Non-cash, stock-based compensation	3,718	71	13,840	467
Gain on sale of investment	-	-	(1,499)	-
Termination of distribution agreement	-	1,636	-	1,636
Severance costs	-	1,743	-	1,743
European distributor transition	-	1,500	-	1,500
Write-down of long-lived asset	-	694	-	694
Total	3,718	5,644	12,341	6,040
Tax effect of reconciling items:				
Non-cash, stock-based compensation	(808)	(23)	(2,957)	(180)
Gain on sale of investment	-	-	95	-
Termination of distribution agreement	-	(513)	-	(513)
Severance costs	-	(546)	-	(546)
European distributor transition	-	(470)	-	(470)
Write-down of long-lived asset	-	(217)	-	(217)
Resolution of foreign tax matters	(1,148)	-	(1,148)	-
Total	(1,956)	(1,769)	(4,010)	(1,926)
Net income, as adjusted	$ 7,509	$ 5,918	$ 22,742	$ 25,179
Net Income per Diluted Share				
Net income, as reported, per diluted share	$ 0.16	$ 0.06	$ 0.41	$ 0.60
Non-cash, stock-based compensation	0.08	-	0.30	0.01
Gain on sale of investment	-	-	(0.04)	-
Termination of distribution agreement	-	0.03	-	0.03
Severance costs	-	0.04	-	0.04
European distributor transition	-	0.03	-	0.03
Write-down of long-lived asset	-	0.01	-	0.01
Resolution of foreign tax matters	(0.03)	-	(0.03)	-
Net income, as adjusted, per diluted share	$ 0.21	$ 0.17	$ 0.64	$ 0.72

Wright Medical Group, Inc.
Reconciliation of Effective Tax Rate, As Reported, to Effective Tax Rate, As Adjusted
(unaudited)

	Three Months Ended December 31, 2006	Year Ended December 31, 2006
Effective tax rate, as reported	4.8%	35.1%
Non-cash, stock-based expense	(0.8%)	(8.6%)
Gain on sale of investment	-	2.5%
Resolution of foreign tax matters	19.0%	5.2%
Effective tax rate, as adjusted	23.0%	34.2%

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

	December 31, 2006	December 31, 2005
Assets		
Current assets:		
Cash and cash equivalents	$ 57,939	$ 51,277
Marketable securities	30,325	25,000
Accounts receivable, net	72,476	61,729
Inventories	86,157	82,381
Prepaid expenses and other current assets	32,825	39,994
Total current assets	279,722	260,381
Property, plant and equipment, net	86,265	81,206
Intangible assets, net	17,795	20,553
Other assets	25,620	9,670
Total assets	$ 409,402	$ 371,810
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	$ 17,049	$ 13,572
Accrued expenses and other current liabilities	41,366	45,055
Current portion of long-term obligations	1,001	5,628
Total current liabilities	59,416	64,255
Long-term obligations	723	1,728
Other liabilities	13,439	13,819
Total liabilities	73,578	79,802
Stockholders' equity	335,824	292,008
Total liabilities and stockholders' equity	$ 409,402	$ 371,810

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