Notes to Consolidated Financial Statements *(Continued)*

6. PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment at December 31, 2003 and 2002, was as follows (in millions):

	2003	2002
Land	$ 22.0	$ 8.2
Building and equipment	600.3	354.4
Instruments	431.4	–
Construction in progress	20.1	13.3
	1,073.8	375.9
Accumulated depreciation	(548.6)	(218.1)
Property, plant and equipment, net	$ 525.2	$ 157.8

Gross instruments of $201.4 million ($89.1 million net of accumulated depreciation) were recorded at January 1, 2003 related to the change in accounting principle as discussed in Note 4. Depreciation expense was $92.4 million, $25.3 million and $23.4 million for the years ended December 31, 2003, 2002 and 2001, respectively.

7. GOODWILL AND OTHER INTANGIBLE ASSETS

The following table summarizes the changes in the carrying amount of goodwill for the year ended December 31, 2003 (in millions):

	Americas	Europe	Asia Pacific	Total
Balance at January 1, 2003	$ –	$ –	$ –	$ –
Goodwill acquired – Centerpulse and InCentive	1,263.6	836.3	104.8	2,204.7
Goodwill acquired – TransFx product line	11.9	–	–	11.9
Currency translation	–	69.7	5.5	75.2
Balance at December 31, 2003	$1,275.5	$906.0	$110.3	$2,291.8

The components of identifiable intangible assets are as follows (in millions):

	As of December 31, 2003		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Intangible assets subject to amortization:			
Core technology	$118.9	$ 1.6	$117.3
Developed technology	318.8	5.5	313.3
Trademarks and trade names	33.1	0.8	32.3
Customer relationships	34.4	0.3	34.1
Other	23.6	11.4	12.2
	528.8	19.6	509.2
Intangible assets not subject to amortization:			
Trademarks and trade names	251.3	–	251.3
Total identifiable intangible assets	$780.1	$19.6	$760.5

Total amortization expense for finite-lived intangible assets was $10.9 million in 2003 and was recorded as part of selling, general and administrative. Intangible assets and related amortization expense for the years ended December 31, 2002 and 2001 were not significant.

The weighted average amortization lives for core technology, developed technology, trademarks and trade names, and customer relationships are nineteen years, fourteen years, eleven years and thirty years, respectively. The weighted average amortization life of these intangible assets on a combined basis is sixteen years.

Estimated annual amortization expense for the years ended December 31, 2004 through 2008 is $33.9 million, $33.8 million, $33.7 million, $33.5 million and $33.5 million, respectively.

8. OTHER ASSETS

Other Assets at December 31, 2003 include $34.7 million of investments in non-consolidated companies and $43.9 million of sundry assets. As of December 31, 2003, the only significant investment was an approximate 34 percent investment in Tutogen Medical, Inc. ("Tutogen"), a publicly traded medical device company based in New Jersey (AMEX:TTG). The Company accounts for this investment under the equity method of accounting. The carrying amount of Tutogen at December 31, 2003, was $27.2 million. The fair value of this investment based upon the closing market price on December 31, 2003 was $23.9 million. Earnings recognized under the equity method for the year ended December 31, 2003 were not significant. The Company did not have any significant investments in non-consolidated companies at December 31, 2002.

9. OTHER CURRENT LIABILITIES

Other current liabilities at December 31, 2003 and 2002, consist of the following (in millions):

	2003	2002
Service arrangements	$ 92.9	$ 59.6
Salaries, wages and benefits	60.5	29.0
Litigation liability	59.5	–
Integration liability	54.8	–
Fair value of derivatives	56.4	13.9
Accrued liabilities	151.3	62.3
Total other current liabilities	$475.4	$164.8

10. OTHER LONG-TERM LIABILITIES

Included in Other Long-term Liabilities at December 31, 2003 and 2002 were $41.4 million and $43.5 million, respectively, of deferred distributor commissions and $128.9 million of non-current tax liabilities at December 31, 2003. The value of deferred commissions is determined by contracts based upon sales growth. Deferred commissions are recorded as a selling expense in the same period that associated product revenue is recognized.