

## Consolidated Statements of Cash Flows

	(in millions)		
For the Years Ended December 31,	2003	2002	2001
Cash flows provided by (used in) operating activities:			
Net earnings	\$ 346.3	\$ 257.8	\$ 149.8
Adjustments to reconcile net earnings to net cash provided by operating activities:			
Depreciation and amortization	103.3	25.3	23.4
Inventory step-up	42.7	—	—
Write off of in-process research and development	11.2	—	—
Cumulative effect of change in accounting principle	(89.1)	—	—
Changes in operating assets and liabilities, net of acquired assets and liabilities			
Income taxes	117.8	29.9	1.1
Receivables	(39.0)	(25.0)	2.6
Inventories	(53.0)	(59.7)	(50.2)
Accounts payable and accrued liabilities	75.9	(12.2)	41.9
Other assets and liabilities	(21.3)	4.1	3.2
Net cash provided by operating activities	494.8	220.2	171.8
Cash flows used in investing activities:			
Additions to instruments	(113.6)	—	—
Additions to other property, plant and equipment	(44.9)	(33.7)	(54.7)
Investments in other assets	(16.5)	(2.0)	—
Centerpulse and InCentive acquisitions, net of acquired cash	(927.7)	—	—
Net cash used in investing activities	(1,102.7)	(35.7)	(54.7)
Cash flows provided by (used in) financing activities:			
Net proceeds/(payments) on lines of credit	170.6	(212.8)	366.3
Proceeds from term loans	550.0	—	—
Payments on term loans	(100.0)	—	—
Dividend paid to former parent	—	—	(290.0)
Net increase (decrease) in due to former parent	—	—	(144.0)
Net transactions with former parent	—	—	(32.8)
Proceeds from exercise of stock options	70.5	23.9	1.4
Debt issuance costs	(19.4)	—	—
Equity issuance costs	(6.9)	—	—
Net cash provided by (used in) financing activities	664.8	(188.9)	(99.1)
Effect of exchange rates on cash and equivalents	4.9	1.7	0.4
Increase (decrease) in cash and equivalents	61.8	(2.7)	18.4
Cash and equivalents, beginning of year	15.7	18.4	—
Cash and equivalents, end of year	\$ 77.5	\$ 15.7	\$ 18.4

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