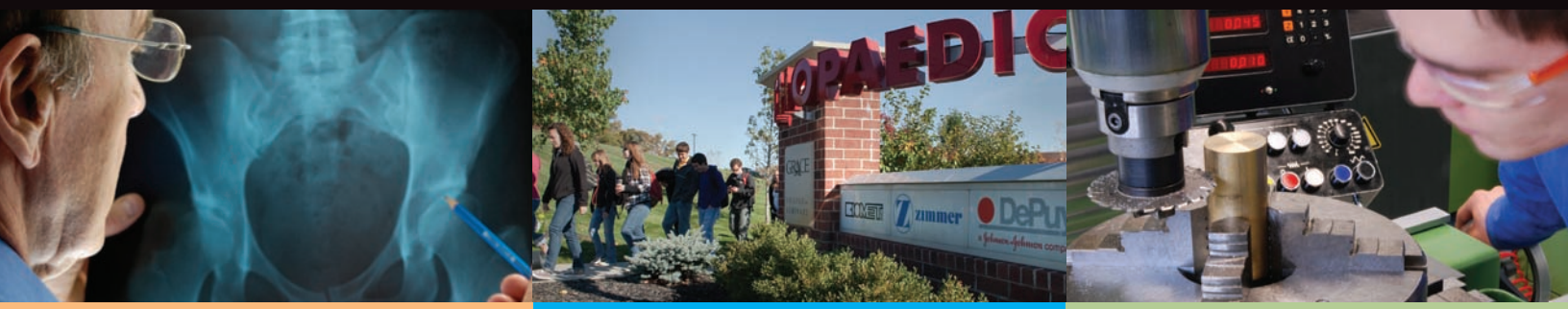


Accelerating achievement



2012

A Unique Opportunity...and Challenge



The Warsaw, Ind.-based orthopedic industry cluster is unique in the business world. Its rise to global prominence started serendipitously when Revra DePuy began his company in Warsaw in 1895 and was assured when DePuy employee and area native J. O. Zimmer launched his own company in 1927.

By the time Biomet was created in 1977, the area was thriving with enterprises large and small, nearly all of them riding a wave of growth powered by development and acceptance of joint replacement to treat arthritis.

Today, these three companies are all multi-billion dollar global enterprises, anchoring an industry cluster that represents nearly one-third of the \$38 billion global orthopedic market.

I've been privileged to be associated with the orthopedic industry for nearly 25 years.

This field of medicine improves patient quality of life so dramatically and reliably. I am proud to call orthopedics my career.

Last September I became CEO of OrthoWorx. I thought I knew what I was getting into, having served as a founding member of OrthoWorx Board of Directors. What I've learned since opened my eyes more fully to what many of us may have taken for granted—the incredible, positive impact the successful orthopedic industry has had on the region. Also, I've realized the critical need for us in this region to work together to ensure we continue to reap the many social and economic benefits we have enjoyed.

OrthoWorx Mission Statement

That realization is captured in our organization's first mission statement: *Working strategically and collaboratively with the orthopedic industry and other stakeholders, we will build on our community's strengths to ensure Warsaw continues to be **The Orthopedic Capital of the World.***

The phrase *orthopedic capital* isn't just about bragging rights in the marketplace. It's an expression of our uniqueness and richness as a community. This is unmatched by others of our size. It affects every citizen of our region. Fully 43 percent of Kosciusko County citizens have jobs, because we are **The Orthopedic Capital of the World**. This includes jobs from direct employment as well as the jobs the industry indirectly supports.

New Members Reflect Momentum

One of our organizational goals is to build our membership beyond the eight original entities that founded OrthoWorx. Expanding the community benefits of our status as **The Orthopedic Capital of the World** requires broad, coordinated effort. So, it has been important to us that other community stakeholders embrace our efforts.

I'm pleased that the City of Warsaw and Kosciusko County Government are showing their commitment to our goals by becoming members of OrthoWorx beginning in 2012. In addition to these government entities, we are proud that two additional orthopedic companies—Medtronic Spinal Business and Symmetry Medical Inc.—are becoming members.

We welcome these new members and look forward to working with them as part of our new Strategic Advisory Board. They will help define and refine our initiative work. We expect to continue expanding our membership over time.

Accelerating Achievement

This past year we've realized many achievements, as you'll read about later. Not the least of these is that we've built a stable, professional organization, which is very engaged in advancing the health of the industry cluster and the community. We invested time and resources establishing our operations, finishing studies, refining our point of view and identifying our priorities. Now, it's time to build on our early work for tangible results.

We are committed to delivering significant, signature projects that demonstrate definite progress in our initiative areas. We have concrete plans to drive achievements, building on our community's strengths as **The Orthopedic Capital of the World**.

Our opportunity—and our challenge—is to work together to ensure our region continues to enjoy that privileged position and all the benefits that accrue as a result.

Sincerely,

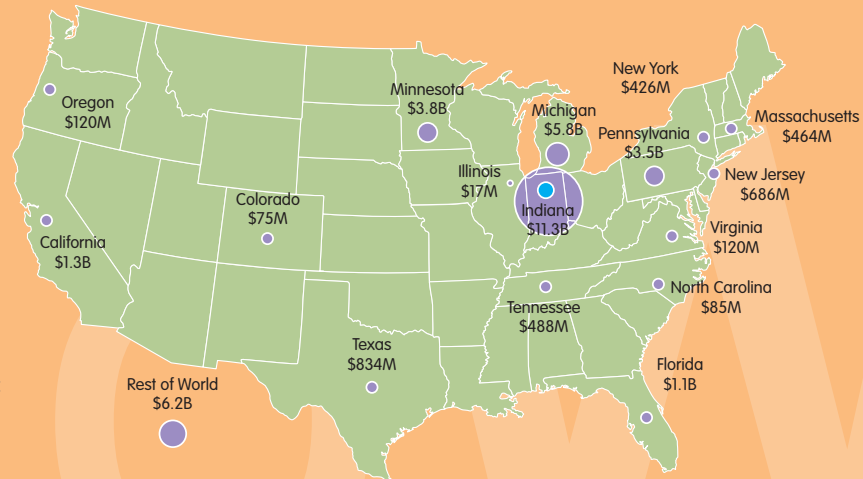
A handwritten signature in dark ink, appearing to read 'D. K. Floyd', written in a cursive style.

David K. Floyd
Chief Executive Officer
OrthoWorx

Sustaining a thriving industry

The idea that led to the formation of OrthoWorx came from the vision of community stakeholders and was advanced by BioCrossroads and the Kosciusko County Community Foundation. Founded in 2009 with generous initial funding from a Lilly Endowment grant, OrthoWorx is a Warsaw-based organization that engages the orthopedic industry, the community and educational system to support long-term sustainability and growth of the orthopedic sector. We do this through focusing on six strategic areas:

- Education
- Talent & Workforce Development
- Community Enhancement
- Innovation & Entrepreneurship
- Transportation & Logistics
- Branding & Awareness



Nearly One-Third of the \$38 Billion Global Orthopedic Industry is Headquartered in Warsaw, Indiana.*



Photo courtesy Ivy Tech Community College OAMTC

Building the Workforce of Tomorrow

A knowledgeable, qualified workforce is essential to the success of the orthopedic industry. In addition to skills needed to produce highly sophisticated medical devices, increasing global regulations require working knowledge of quality regulations governing the manufacturing and marketing of orthopedic devices.

We are teaming with Ivy Tech Community College and Grace College to help to build the workforce of tomorrow.

Ivy Tech Community College Orthopedic and Advanced Manufacturing Center (OAMTC)

The OrthoWorx Advanced Manufacturing Committee is comprised of orthopedic industry representatives, Ivy Tech Community College representatives and OrthoWorx leaders. It was formed to help identify and address workforce gaps for a better-qualified workforce.

"The combination of strong committee composition and interactions among committee members is contributing positively to industry needs," states Tim Meyer, Chair, OrthoWorx Advanced Manufacturing Committee. "This collaborative work helps to ensure industry needs are well understood by those creating curricula and teaching classes in advanced manufacturing."

As a result of the committee's efforts, Ivy Tech Community College plans to launch an Advanced Manufacturing Certificate Program in 2012 at OAMTC in Warsaw, Indiana.

(Building the Workforce of Tomorrow, continued)

Grace College

To help build a workforce with the skills and expertise the orthopedic industry needs, OrthoWorx member Grace College partnered with Trine University to expand educational opportunities in Warsaw. Through this collaboration, students on site at Grace College can earn an engineering degree, with concentrations in mechanical, civil and biomedical engineering, from Trine University.

Grace College also launched the Orthopaedic Regulatory and Clinical Affairs (ORCA) Graduate program with an initial cohort of 32 students. It is the nation's only graduate program designed specifically by and for orthopedic regulatory and clinical affairs professionals. The program was created through a partnership with OrthoWorx and the orthopedic industry and begins its second year in 2012.

Innovation & Entrepreneurship



Innovation Pipeline

The OrthoWorx Innovation Initiative strives to facilitate the creation of an innovation pipeline, linking regional and state universities, researchers, clinicians and inventors to create new products, technologies and services to help drive the expansion of the orthopedic cluster. This initiative also seeks to help foster entrepreneurship and generate the resources required to encourage, create and support new company formation.

As part of this initiative, OrthoWorx sponsored and hosted the Indiana Life Sciences Collaboration Conference Series. Coordinated by the IU Kelley School of Business Center for the Business of Life Sciences, the conference series examines existing and emerging mechanisms to maintain and increase the momentum that has been building in life sciences in Indiana. It also provides an opportunity to share the latest thinking and spark discussion on topics relevant to the life sciences industry.



OrthoWorx hosted the Indiana Life Sciences Collaboration Series Conference at The Orthopaedic Capital Center in Winona Lake, Ind.

OrthoWorx served as host of the conference for the past two years, held at the Orthopaedic Capital Center (OCC) at Grace College in Winona Lake, Indiana. The 2011 conference featured speakers and panelists representing funders, business advisors and entrepreneurs and focused on powering life sciences entrepreneurship in Indiana.

Education

Enhancing the area's educational offerings to better meet the academic needs of students will help to ensure a well-educated workforce. It will also make the community more attractive for those living in and also considering relocation to this area. As part of the OrthoWorx Education Initiative, we are studying ways to advance Science, Technology, Engineering and Mathematics (STEM) education in the region, with a goal of leveraging the orthopedic industry's world-class expertise in these subject areas.



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In April 2011, the results of the OrthoWorx-funded Cambridge Education Study of Warsaw-area schools were released. Warsaw Community Schools (WCS) is progressing toward a student-focused, community-driven strategic plan, with the WCS Board of School Trustees expected to take action on the plan in February 2012. "The strategic planning process was informed, in part, by the OrthoWorx-commissioned study of the Warsaw area schools. The study indicated our schools are well managed and solid, however, need strategic vision, focused on future improvements," states Dr. Craig J. Hintz, Superintendent, WCS. Hintz adds, "The recommendations are opportunities to transform WCS to become the education capital of Indiana."

OrthoWorx will continue to identify opportunities to leverage the Cambridge study and assist the administration and school board in implementing changes that benefit the orthopedic industry.

Community Enhancement

The OrthoWorx Community Enhancement Initiative is focused on building upon, expanding and helping to promote the social, recreational and cultural offerings in the community. We continue to support community enrichment in partnership with The Remnant Trust, providing community access to its historical document collection.



Inside The Vault at The Remnant Trust

OrthoWorx is also conducting a community attributes survey to identify priorities for new community-related projects.

We recognize the value in connecting the broader offerings in the region as well for enhanced quality of life for residents and the attractiveness to new residents and those looking to relocate to this area.

The Community Enhancement Initiative is also supported by the OrthoWorx Diversity Council, which aspires to develop the inclusiveness of our increasingly diverse community. This will help residents and newcomers to the area feel welcome and included.

Transportation & Logistics

For the Warsaw area to be an attractive place to conduct business, it must be easily accessible with efficient transportation of people and products. The Transportation & Logistics Initiative has been exploring the feasibility of commercial air service from Warsaw to other regional hubs. OrthoWorx also continues to work with other community stakeholders to determine the steps necessary to restore passenger rail service to the area. It's all part of ensuring the community remains competitive with other regions that are trying to support and attract orthopedic businesses.

Branding & Awareness

The OrthoWorx Branding & Awareness initiative seeks to promote the area's stature as **The Orthopedic Capital of the World**. Some activities supporting this effort include the OrthoWorx e-Newsletter, community outreach and completion of The Economic Impact of Kosciusko County's Orthopedic Industry, April 2011, an OrthoWorx-commissioned study conducted with the Indiana University Kelley School of Business.



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Kosciusko County Government

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