

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549**

FORM 8-K

**CURRENT REPORT
Pursuant to Section 13 or 15(d) of the
Securities Exchange Act of 1934**

Date of Report (date of earliest event reported) **July 12, 2007**

EXACTECH, INC.

(Exact name of registrant as specified in its charter)

Florida	0-28240	59-2603930
(State or other jurisdiction of incorporation)	(Commission File Number)	(IRS Employer Identification No.)

**2320 NW 66th Court
Gainesville, Florida 32653**

(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code **(352) 377-1140**

N/A

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2.):

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.06 Material Impairment.

On July 12, 2007, management of the Company decided to fully impair the license to a patent it holds with Dimicron Corporation. The license is part of a purchase and distribution agreement that the Company entered into with Dimicron to market and distribute polycrystalline diamond compact hip bearings. During June and July of 2007, the Company engaged in discussions with Dimicron regarding the fact that, while Dimicron has made progress in developing the technology, they had encountered new challenges that will adversely impact their ability to produce the diamond hip bearings they had been developing. Based on previous and anticipated delays, uncertainty regarding production of a product, and disagreement with Dimicron about how best to proceed, the Company determined it was required to take a non-cash impairment charge in the second quarter for the current full carrying value of the asset. The Company's estimated impairment charge for the second quarter will be approximately \$1.5 million before income taxes.

Item 7.01 Regulation FD Disclosure

A press release, dated July 12, 2007, announcing the impairment charge is included as exhibit 99.1.

Item 9.01. Financial Statements and Exhibits

(c) Exhibits

Exhibit Number	Description
99.1	Press release, dated July 12, 2007

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

EXACTECH, INC.

Dated: July 16, 2007

By: /s/ Joel C. Phillips
Joel C. Phillips,
Chief Financial Officer



2320 NW 66th COURT
 GAINESVILLE, FL 32653
 PHONE: (352) 377-1140
 FAX: (352) 378-2617



Investor Relations Contact:
 Hawk Associates, Inc.
 Frank Hawkins and Julie Marshall
 Phone: (305) 451-1888
 E-mail: info@hawkassociates.com
<http://www.hawkassociates.com>

**News Release: FINAL
 FOR IMMEDIATE RELEASE**

Exactech Announces FDA Approval for Novation Ceramic Articulation Hip System, Adjusts 2007 Financial Targets

GAINESVILLE, Fla. – July 12, 2007 -- Exactech Inc. (Nasdaq: EXAC), a developer and producer of bone and joint restoration products including orthopaedic implants and biologic materials, announced today that it has received premarket approval from the U.S. Food and Drug Administration (FDA) for the Novation™ Ceramic Articulation Hip System™ thereby granting Exactech permission to market the system.

The new system adds a high demand, hard bearing option to Exactech offerings for total joint replacement. Featuring alumina ceramic, the system is designed to improve implant longevity and has demonstrated up to 2,000 times less wear debris generation than traditional metal and polyethylene bearings. Exactech's sizing scheme allows the use of larger femoral heads in the majority of patients which provides a competitive advantage compared to other ceramic systems. The system also features femoral stems designed to increase range of motion for patients.^{1,2}

Exactech also said it is increasing its full-year sales targets from the \$112 to \$118 million range to an updated estimate of \$115 to \$120 million.

Chief Financial Officer Joel Phillips said, "The company has performed exceptionally well during the first half of 2007 by delivering new products on or ahead of schedule and by realizing positive sales results from products released during the past year. We expect to meet our revenue plan for the second quarter and have confidence in our ability to sustain this momentum through the remainder of the year and beyond."

As a part of Exactech's comprehensive hard bearing program, the company entered a license and distribution agreement with Dimicron Corporation in 2003 to market and distribute polycrystalline diamond compact hip bearings. While Dimicron has made progress in developing the technology, Dimicron recently informed Exactech of new challenges that will adversely impact Dimicron's ability to produce the diamond hip bearings it has been developing. Based on previous and anticipated delays, uncertainty regarding production of a product, and disagreement with Dimicron about how best to proceed, Exactech believes it is prudent to take an impairment charge of \$1.5 million in the second quarter which represents the current full carrying value of the asset.

"We are evaluating our options for continuing development and bringing this technology to market because we believe our investment to date has created potential value. To this end, Exactech and Dimicron have agreed to submit evaluation of our agreement to an arbitration panel," stated Exactech CEO Bill Petty. "We still believe that the diamond bearing concept has the potential for substantially improving patient outcomes."

The impairment charge is estimated to have an \$.08 after tax impact on second quarter diluted EPS as a non-cash charge. Excluding the impact of this one time charge, the company reconfirms its previous diluted EPS target of \$.19 - \$.20 for the second quarter of 2007 and \$.72 - \$.76 for the full year. Including the one time charge, the company is targeting diluted EPS of \$.11 - \$.12 for the second quarter and \$.64 - \$.68 for the full year 2007.

The foregoing statements regarding targets for the quarter and the year are forward-looking statements, and actual results may differ materially. These are Exactech's targets, not predictions of actual performance.

About Exactech

Based in Gainesville, Fla., Exactech develops and markets orthopaedic implant devices, related surgical instruments and biologic materials and services to hospitals and physicians. The company manufactures many of its orthopaedic devices at its Gainesville facility. Exactech's orthopaedic products are used in the restoration of bones and joints that have deteriorated as a result of injury or diseases such as arthritis. Exactech markets its products in the United States and Australia, in addition to more than 25 countries in Europe, Asia and Latin America. Additional information about Exactech, Inc. can be found at <http://www.exac.com>. Copies of Exactech's press releases, SEC filings, current price quotes and other valuable information for investors may be found at <http://www.exac.com> and <http://www.hawkassociates.com>.

An investment profile on Exactech may be found at <http://www.hawkassociates.com/exacprofile.aspx>.

Investors may contact Chief Financial Officer Jody Phillips at (352) 377-1140 or Julie Marshall or Frank Hawkins, Hawk Associates Inc., at (305) 451-1888, e-mail: info@hawkassociates.com. To receive free notification of future releases for this company, sign up at <http://www.hawkassociates.com/email.aspx>.

This release contains various forward-looking statements within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934, which represent the company's expectations or beliefs concerning future events of the company's financial performance. These forward-looking statements are further qualified by important factors that could cause actual results to differ materially from those in the forward-looking statements. These factors include the effect of competitive pricing, the company's dependence on the ability of third party manufacturers to produce components on a basis which is cost-effective to the company, market acceptance of the company's products and the effects of government regulation. Results actually achieved may differ materially from expected results included in these statements.

1. Hedlundh U, Ahnfelt L, et al. Dislocations and the femoral head size in primary total hip arthroplasty. Clin Orthop Relat Res. 1996 Dec;(333):226-33
2. Taylor SK, Serekian P, Manley M. Wear performance of a contemporary alumina: Alumina bearing couple under hip joint simulation. Trans. 44th Annual Meeting, ORS, 51, 1998.