
**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 and Exchange Act of 1934

Date of Report (Date of earliest event reported): April 29, 2008

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 Office)

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- 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))
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Item 2.02. Results of Operations and Financial Condition

See disclosure set forth in Item 7.01 to this Current Report on Form 8-K.

Item 7.01. Regulation FD Disclosure.

On April 29, 2008, Exactech, Inc. (the “Company”) issued a press release disclosing certain financial information about the Company. A copy of the press release is furnished as Exhibit 99.1 to this Current Report on Form 8-K and is hereby incorporated by reference in this Item 7.01.

The press release attached as an exhibit to this report contains various “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, which represent the Company’s expectations or beliefs concerning future events, including, but not limited to, statements regarding levels of and expected growth in sales of the Company’s products. When used in the press release and this report, the terms “anticipate,” “believe,” “estimate,” “expect” and “intend” and words or phrases of similar import, as they relate to the Company or its subsidiaries or its management, are intended to identify forward-looking statements. 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, without limitation, the effect of competitive pricing, the Company’s dependence on the ability of its third-party suppliers to produce components on a cost-effective basis to the Company, market acceptance of the Company’s products, the outcome of litigation, the availability of third-party reimbursement for the Company’s products, high inventory maintenance requirements, the Company’s ability to protect its intellectual property, dedication of substantial resources towards research and development efforts, product liability risks and the effects of governmental regulation. Results actually achieved may differ materially from expected results included in these statements as a result of these or other factors, including those factors discussed under “Risk Factors” set forth in Item 1A of the Company’s Annual Report on Form 10-K for the fiscal year ended December 31, 2007. Exactech undertakes no obligation to update, and the Company does not have a policy of updating or revising, these forward-looking statements. The information in this report will not be deemed an admission as to the materiality of any information required to be disclosed solely to satisfy the requirements of Regulation FD. The furnishing of this information is not intended to, and does not, constitute a determination or admission by the Company that such information is material or complete, or that investors should consider this information before making an investment decision with respect to any security of the Company.

The information contained in Items 2.02 and 7.01 to this Current Report on Form 8-K and Exhibit 99.1 attached hereto shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing by the Company under the Securities Act of 1933, as amended.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

<u>Exhibit Number</u>	<u>Description</u>
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99.1	Press Release issued by the Company on April 29, 2008.
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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 hereunto duly authorized.

EXACTECH, INC.

Date: April 29, 2008

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

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release issued by the Company on April 29, 2008.



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Exactech Q1 Revenue Increases 34% to \$39.8 Million

Net Income up 49% to \$2.8 million and EPS of \$0.23

GAINESVILLE, Fla. – April 29th, 2008 -- Exactech, Inc. (Nasdaq: EXAC), a developer and producer of bone and joint restoration products for hip, knee, shoulder, spine and biologic materials, announced today revenue of \$39.8 million for the first quarter of 2008, an increase of 34% compared to \$29.6 million for the first quarter of 2007. Net income for the quarter was \$2.8 million, or \$0.23 per diluted share, a gain of 49% from the \$1.9 million, or \$0.16 per diluted share, in the same quarter a year ago. First quarter diluted earnings per share included a gain of \$0.03 due to a forward currency call option and a loss of \$0.01 per share due to Exactech's minority investment in Altiva prior to the acquisition.

First Quarter Highlights and Segment Performance

- First quarter revenue increased 34% to \$39.8 million
- Revenue exclusive of acquisition for Q1 up 28% to \$37.8 million
- Net income increased 49% to \$2.8 million
- Diluted earnings per share increased 45% to \$0.23
- Knee implant revenue increased 18% to \$18.5 million
- Hip implant revenue increased 16% to \$6.4 million
- Biologic services revenue up 34% to \$4.7 million
- Shoulder implant revenue increased 132% to \$3.7 million
- Initial revenue of \$2.0 million in spine product sales from Altiva Corporation

Exactech Chairman and CEO Bill Petty said, "Strong growth in all major product lines demonstrates that our customer centric focus is increasing Exactech's market share. Sales from knee implants increased 18% to \$18.5 million from \$15.7 million during the first quarter of 2007, due to the continued strength of our flagship Optetrak[®] knee system both domestically and internationally. Our hip implant sales for the first quarter were \$6.4 million, a 16% increase from revenue of \$5.5 million in the first quarter of 2007, as our Novation[®] hip products continue to gain market penetration. Biologic services revenue was up 34% to \$4.7 million from \$3.5 million in the same quarter last year. Shoulder implants increased to \$3.7 million, a 132%

increase from last year's revenue of \$1.6 million, as a result of the continued momentum of our Equinox® reverse shoulder products. Other products increased 100% to \$6.6 million, which included \$2.0 million in spinal revenue from our recent acquisition of Altiva Corporation."

Exactech President David Petty said, "The start-up of new distributors in Europe spurred a 67% increase in our international sales to \$11.5 million from \$6.9 million during 2007. International sales for the quarter represented 29% of total sales, compared with 23% in the same quarter last year. Our U.S. sales including spine revenue increased to \$28.3 million during the first quarter from \$22.7 million during the first quarter of 2007."

Chief Financial Officer Jody Phillips said, "Our net income for the quarter was up 49% to \$2.8 million from \$1.9 million in the same quarter last year. This was partially attributable to a \$300,000 after tax gain from a forward currency call option we entered into in anticipation of our French distributor acquisition. Our net income was also impacted by a loss on minority interest of \$98,000, as a result of stock compensation expenses incurred by Altiva prior to our acquisition of the company. As a percent of sales, net income for the quarter was 7.0% compared to 6.4% in the prior year. Gross margins decreased to 62.9% in 2008 from 63.3% in 2007, primarily as a result of strong international sales growth.

"Total operating expenses for the quarter were \$20.6 million, an increase of 35% from \$15.3 million in the comparable period but constant as a percent of sales at 51.6%. These operating expenses included expenses from Altiva. Total sales and marketing expenses were up 35%, but remained relatively unchanged as a percentage of sales. General and administrative expenses including increased legal fees increased 33% in the first quarter to \$3.9 million from \$3.0 million during the first quarter of 2007. Research and development expenses increased 50% to \$2.6 million from \$1.7 million in the first quarter of 2007, reflecting our continuing focus on development of products."

Looking forward, Exactech continues to anticipate 30% to 36% revenue growth for the full year 2008, targeting a range of \$162 million to \$169 million and diluted earnings per share for the year 2008 in the range of \$0.92 to \$0.98. For the second quarter ending June 30, 2008, the company targets 27% to 36% revenue growth to the range of \$40 million to \$43 million and diluted earnings per share in the range of \$0.22 to \$0.24. The foregoing statements regarding targets for the quarter and full year are forward-looking and actual results may differ materially. These are the company's targets, not predictions of actual performance.

The financial statements are below.

The company has scheduled a conference call at **10:00 a.m. Eastern Time on Wednesday, April 30**. The call will cover the company's first quarter results. CEO Bill Petty will open the conference call and a question-and-answer session will follow.

To participate in the call, dial **800-762-8779 any time after 9:50 a.m. Eastern on April 30**. International and local callers should dial **480-629-9041**. While in conference, if callers should experience any difficulty or require operator assistance, they can press the (*) followed by the (0) button. This will call an operator to the line.

A live webcast of the call will be available at <http://viavid.net/dce.aspx?sid=00004E37>. A podcast will be available approximately 15 minutes after the event ends and can be accessed at <http://viavid.net/mp3/00004E37.mp3>. Both will be archived for approximately 90 days.

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 30 markets 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/profile/exac.cfm>.

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: exactech@hawkassociates.com. To receive future releases in e-mail alerts, sign up at <http://www.hawkassociates.com/about/alert>.

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.

EXACTECH, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)

	<u>(unaudited)</u>		<u>(audited)</u>
	<u>March 31,</u>		<u>December 31,</u>
	<u>2008</u>		<u>2007</u>
ASSETS			
CURRENT ASSETS:			
Cash and cash equivalents	\$ 2,008	\$	2,038
Accounts receivable, net of allowances of \$786 and \$663	29,409		23,106
Prepaid expenses and other assets, net	888		1,185
Income taxes receivable	—		27
Inventories – current	48,148		44,201
Deferred tax assets	568		306
Total current assets	<u>81,021</u>		<u>70,863</u>
PROPERTY AND EQUIPMENT:			
Land	1,140		1,140
Machinery and equipment	18,736		17,364
Surgical instruments	31,267		29,165
Furniture and fixtures	2,411		2,366
Facilities	12,340		12,312
Projects in process	751		609
Total property and equipment	<u>66,645</u>		<u>62,956</u>
Accumulated depreciation	<u>(27,871)</u>		<u>(26,649)</u>
Net property and equipment	38,774		36,307
OTHER ASSETS:			
Notes receivable – related party	—		4,394
Deferred financing and deposits, net	1,387		1,041
Other investments	1,141		(37)
Deferred tax assets	797		—
Product licenses and designs, net	6,775		1,355
Patents and trademarks, net	2,121		2,184
Goodwill	6,169		352
Total other assets	<u>18,390</u>		<u>9,289</u>
TOTAL ASSETS	<u>\$ 138,185</u>	<u>\$</u>	<u>116,459</u>
LIABILITIES AND SHAREHOLDERS' EQUITY			
CURRENT LIABILITIES:			
Accounts payable	\$ 14,253	\$	9,423
Income taxes payable	1,637		103
Accrued expenses and other liabilities	6,034		5,995
Line of credit	12,032		—
Current portion of long-term debt	1,626		1,646
Total current liabilities	<u>35,582</u>		<u>17,167</u>
LONG-TERM LIABILITIES:			
Deferred tax liabilities	—		2,505
Long-term debt, net of current portion	8,686		9,025
Other long-term liabilities	1,471		124
Total long-term liabilities	<u>10,157</u>		<u>11,654</u>
Total liabilities	45,739		28,821
SHAREHOLDERS' EQUITY:			
Common stock	117		116
Additional paid-in capital	29,437		27,388
Accumulated other comprehensive loss	(103)		(57)
Retained earnings	62,995		60,191
Total shareholders' equity	<u>92,446</u>		<u>87,638</u>
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	<u>\$ 138,185</u>	<u>\$</u>	<u>116,459</u>

EXACTECH, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
(in thousands, except per share amounts)
(Unaudited)

	Three Month Periods Ended March 31,	
	2008	2007
NET SALES	\$ 39,791	\$ 29,596
COST OF GOODS SOLD	14,766	10,861
Gross profit	25,025	18,735
OPERATING EXPENSES:		
Sales and marketing	12,335	9,116
General and administrative	3,938	2,970
Research and development	2,551	1,699
Depreciation and amortization	1,726	1,482
Total operating expenses	20,550	15,267
INCOME FROM OPERATIONS	4,475	3,468
OTHER INCOME (EXPENSE):		
Interest income	3	69
Other income	485	—
Interest expense	(295)	(420)
Foreign currency exchange loss	(54)	(21)
Total other expenses	139	(372)
INCOME BEFORE INCOME TAXES	4,614	3,096
PROVISION FOR INCOME TAXES	1,712	1,144
INCOME BEFORE EQUITY IN NET LOSS OF OTHER INVESTMENTS	2,902	1,952
EQUITY IN NET LOSS OF OTHER INVESTMENTS	(98)	(72)
NET INCOME	<u>\$ 2,804</u>	<u>\$ 1,880</u>
BASIC EARNINGS PER SHARE	<u>\$ 0.24</u>	<u>\$ 0.16</u>
DILUTED EARNINGS PER SHARE	<u>\$ 0.23</u>	<u>\$ 0.16</u>
SHARES - BASIC	11,688	11,534
SHARES - DILUTED	12,128	11,785