April 2013

Dear Fellow Globus Medical Stockholders:

I am pleased to report that 2012 was another tremendous year for Globus with industry-leading revenue growth, continued strong profitability, the completion of a successful IPO, and the launch of 14 new products, including our first PMA approved product, the SECURE®-C Cervical Artificial Disc. During the year we grew our international presence to 24 countries. We continued to take market share from our competitors and expect to continue that momentum into 2013 and beyond. I would like to specifically acknowledge our highly talented and motivated employees for all their hard work in delivering these fantastic results.

Annual sales of $386 million, net income of $73.8 million, adjusted EBITDA of $136.6 million[1] and diluted EPS of $0.80 in 2012 were all records for our company. We achieved industry-leading sales growth of 16.4% over 2011 while maintaining strong profit margins. Our continued execution of our successful business model of rapidly growing our innovative product portfolio and expanding our sales force while maintaining strong profits has enabled us to post record results.

Our product development team continues to develop and launch innovative products year after year, and 2012 was no exception. Over the course of the year, we introduced 14 new products, demonstrating the efficiency and effectiveness of our integrated product development engine that has built a portfolio of over 110 products over the last 10 years. One of our 2012 launches, our SECURE®-C cervical disc replacement device, is particularly significant to us because it is our first PMA-approved product and represents the culmination of years of hard work by our product development, regulatory, and clinical affairs departments.

We also continued to expand our domestic and international sales presence in 2012. We hired a number of experienced sales representatives in the United States and expanded into 7 new countries, giving us a sales presence in 24 countries outside of the United States. This sales force expansion has also fueled our ability to take market share from our competitors. We believe our product portfolio has made Globus the preferred destination for successful sales professionals within our industry. Our future success remains predicated in part on us executing on this aspect of our strategy of continuous sales force expansion.

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[1] To supplement its consolidated financial statements, which are prepared and presented in accordance with GAAP, Globus Medical uses certain non-GAAP financial measures, including adjusted EBITDA. Net income for 2011 was approximately $73.8 million. For a full reconciliation of net income and adjusted EBITDA, please see page 84 of the Annual Report on Form 10-K for the fiscal year ended December 31, 2012 attached to this letter.

In 2012, we also launched Algea Therapies to focus on interventional pain management. We have hired a separate sales force to call on pain management physicians and interventional neuroradiologists in addition to spine surgeons who perform these procedures. Our first foray was into the vertebral compression fracture market with the AFFIRM® Kyphoplasty System. We also acquired a company that had developed and obtained both US and EU regulatory approval of a next generation cement directing device to treat vertebral compression fractures featuring a leave behind implant. We are developing a suite of differentiated interventional pain management products and expect additional product launches this year.

Organizationally, we completed our IPO in a very challenging public offering market and have welcomed many new investors into our company. While many other companies who attempted public offerings last year were forced to postpone or cancel their plans, we were able to achieve our goal of becoming a public company. Last year was an exciting one for our company, and we are proud of our accomplishments. We are most proud of our ability to maintain an unwavering focus on profitable growth. Our company has been built on a business model to be good stewards of investor capital. We do not shy away from making investments in our company, particularly to support or accelerate our product development and sales force expansion efforts, but we approach every significant spending decision critically to avoid wasteful spending. As a result, in 2012, we achieved an adjusted EBITDA margin of 35.4%, generated cash flow from operating activities of $76.5, and finished the year with $212.4 million in cash and no debt.

As we look forward to 2013 and beyond, I would like to thank all of our employees, investors and customers for their continued support and look forward to the challenges and opportunities that lie ahead.

Sincerely,

David C. Paul
Chairman and Chief Executive Officer