Zimmer Announces New Compliance Model

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Company Initiates Fundamental Changes to Create a Sustainable Model for Growth

WARSAW, Ind., April 17, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- Zimmer Holdings, Inc. (NYSE: ZMH; SWX: ZMH) today announced comprehensive changes in its corporate compliance model aimed at establishing an enhanced standard for ethical business practices that will support the development and marketing of products and services that address unmet clinical needs and better serve the healthcare markets of the future.

The refined compliance model is designed to aggressively reduce potential or perceived conflicts of interest inherent in consulting relationships between the industry and healthcare professionals-while preserving the best of the collaboration that drives innovation in medical devices and services. The model includes fundamental changes in the areas of product development, marketing, surgeon training, educational and charitable funding, and transparency.

"Collaboration with physicians will always be critical to advancing medical technology that improves patients' lives. But the historical model for collaboration requires change to continue inspiring the confidence and trust of our stakeholders," said David Dvorak, Zimmer Holdings President and Chief Executive Officer. "The new model we have recently developed at Zimmer implements principles and systems that we believe will drive greater transparency, value to the healthcare system and even more efficient and effective product development cycles. We consider these to be emerging best practices that are necessary to ensure a vibrant future for the medical device industry and for the patients our industry serves."

This model builds upon Zimmer's existing Corporate Compliance Program and is consistent with the Company's commitment to meet and exceed the requirements of its September 2007 resolution agreements with the U.S. government.

"We have taken our obligations under these resolution agreements extremely seriously and have now embraced the opportunity to move beyond their requirements to create a more sustainable model for

the growth of our business over the long-term," Mr. Dvorak said.

A Global Framework for Ethical Business Practices

The enhanced compliance model, developed through an extensive review and planning process by Zimmer, is being implemented globally through an enterprise-wide initiative. Highlights of the new model include the following initiatives:

-- ESTABLISH NEW ENGAGEMENT AND COMPENSATION STRUCTURES FOR HEALTHCARE PROFESSIONAL CONSULTANTS. Zimmer is currently reviewing all U.S. royalty-bearing hip and knee development agreements to ensure consistency with the fair-market-value principles of its 2005 Corporate Compliance Program, and is working with a third party to establish the compensation structure for future agreements with healthcare professional consultants. The Company said payments to consultants that have been suspended during the review process will be resolved appropriately as individual contract reviews are completed.

-- REALIGN MARKETING SYSTEMS, INFRASTRUCTURE AND PRACTICES. Zimmer is improving and extending internal firewalls to prevent sales, distribution and other marketing teams from having any involvement with physician consultant agreements, services or payments. In addition, Zimmer is banning all Company gifts to healthcare professionals, prohibiting Zimmer-sponsored healthcare professional presentations at medical society events, and moving to eliminate the use of quotations, endorsements, images and product-branding by healthcare professionals, other than scientific literature references.

-- CENTRALIZE SURGEON TRAINING AND EDUCATION. The Company is launching a more rigorous, integrated and advanced level of surgical-skills training that further protects the integrity of training interactions. The training will be objective-based, delivered through corporate approved Zimmer Institute courses. The Company is eliminating existing satellite Institutes at customer locations in the U.S. The Company also will cease utilizing physicians to train and educate on products for which they may receive royalty-based compensation connected to the Company's sales of the products.

-- ESTABLISH A THIRD-PARTY MECHANISM TO OVERSEE AND DISBURSE ZIMMER'S EDUCATIONAL AND CHARITABLE CONTRIBUTIONS. Zimmer will continue its commitment to corporate giving, but will work through independent third parties to ensure all funding decisions remain free of perceived or actual influence by the Company. The Company will provide an annual monetary donation to one or more third-party institutions for all worldwide educational and resident/fellowship funding. The Company also will make an annual in-kind product donation to one or more independent, global third-party charitable institutions and, in lieu of

gifts to individual healthcare professionals, make cash donations to independent third-party institutions that will utilize the contributed funds to provide needed education-related resources, such as anatomical models and medical textbooks.

-- DEVELOP GLOBAL INFRASTRUCTURE AND SYSTEMS. Although its resolution agreements apply only to Zimmer's U.S. hip and knee business, the Company is making its enhanced compliance standards global and applicable to all of its business units. In addition, Zimmer will require all healthcare professional consultants to participate in annual Zimmer corporate compliance and ethics training programs, and will require them to disclose compensation arrangements to patients, employers and hospitals where they have privileges.

Zimmer's Commitment to a Sustainable Model

Zimmer's continuous consideration of its compliance standards, combined with measures taken by the Office of the Inspector General of the Department of Health and Human Services and other bodies to guide industry in the prevention of healthcare fraud and abuse, prompted the Company early in the decade to re-evaluate thoroughly its model for the management of conflicts of interest that may result from collaboration. This re-evaluation led to the implementation of an enhanced Corporate Compliance Program in 2005. At the time of the settlement in September 2007, the U.S. Attorney for the District of New Jersey acknowledged that Zimmer's 2005 Corporate Compliance Program provided many of the requirements contained in the agreements the five leading orthopaedic companies entered into with the Department of Justice.

"We have been working steadily for a number of years to establish a standard for ethical business practice that creates the optimal environment for the development and marketing of products that are best-in-class, in terms of the benefit they deliver to patients, the difficult problems they solve across the clinical continuum, and their quality. We need to constantly strive to deliver this kind of value, and conduct the surgeon training that is so vital to patient outcomes, in ways that inspire the trust of a diverse set of stakeholders. We believe this effort is fundamental to a truly robust business model for the future," Mr. Dvorak said.

"We still have much work to do in order to implement fully these enhanced business practices, but we are firmly committed to establishing this new standard," Mr. Dvorak added. "Ultimately, our goal is to ensure that patients benefit from innovations focused on their needs, and that everyone with a stake in quality healthcare can rest assured that physicians choose products based on what they believe is best for patients."

About the Company

Founded in 1927 and headquartered in Warsaw, Indiana, Zimmer is a worldwide leader in designing, developing, manufacturing and marketing orthopaedic reconstructive, spinal and trauma devices, dental implants, and related orthopaedic surgical products. Zimmer has operations in more than 25 countries around the world and sells products in more than 100 countries. Zimmer's 2007 sales were approximately $3.9 billion. The Company is supported by the efforts of more than 7,500 employees worldwide.

Zimmer Safe Harbor Statement

This press release contains forward-looking statements within the safe harbor provisions of the Private Securities Litigation Reform Act of 1995 based on current expectations, estimates, forecasts and projections about the orthopaedics industry, management's beliefs and assumptions made by management. Forward-looking statements may be identified by the use of forward-looking terms such as "may," "will," "expects," "believes," "anticipates," "plans," "estimates," "projects," "assumes," "guides," "targets," "forecasts," and "seeks" or the negative of such terms or other variations on such terms or comparable terminology. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that could cause actual outcomes and results to differ materially. These risks and uncertainties include, but are not limited to, our compliance with the Deferred Prosecution Agreement through March 2009 and the Corporate Integrity Agreement through 2012, the impact of our enhanced healthcare compliance global initiatives and business practices on our relationships with customers and consultants, our market share and our overall financial performance, the success of our quality initiatives, the outcome of the informal investigation by the U.S. Securities and Exchange Commission into Foreign Corrupt Practices Act matters announced in October 2007, price and product competition, rapid technological development, demographic changes, dependence on new product development, the mix of our products and services, supply and prices of raw materials and products, customer demand for our products and services, control of costs and expenses, our ability to obtain and maintain adequate intellectual property protection, our ability to successfully integrate acquired businesses, our ability to form and implement alliances, international growth, our compliance with governmental laws and regulations affecting our U.S. and international businesses including regulations of the U.S. Food and Drug Administration and foreign government regulators and tax obligations and risks, product liability and intellectual property litigation losses, reimbursement levels from third-party payors, cost-containment efforts of healthcare purchasing organizations, our ability to retain the independent agents and distributors who market our products, general industry and market conditions and growth rates and general domestic and international economic conditions including interest rate and currency exchange rate fluctuations. For a further list and description of such risks and uncertainties, see our periodic reports filed with the U.S. Securities and Exchange Commission. We disclaim any intention or obligation to update or revise any forward-

looking statements, whether as a result of new information, future events or otherwise, except as may be set forth in our periodic reports. Readers of this document are cautioned not to place undue reliance on these forward-looking statements, since, while we believe the assumptions on which the forward-looking statements are based are reasonable, there can be no assurance that these forward-looking statements will prove to be accurate. This cautionary statement is applicable to all forward-looking statements contained in this document.

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