Zimmer Holdings Issues 2007 Sales and Earnings per Share Guidance

Dec 13, 2006

WARSAW, Ind., Dec 13, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Zimmer Holdings, Inc. (NYSE: ZMH; SWX: ZMH), a leader in the orthopaedics industry, announced today that it has recently completed the development of its 2007 Operating Plan and is issuing sales and earnings per share guidance for 2007.

Full year 2007 sales are expected to be $3,820 million to $3,840 million, or approximately 10% over 2006. Sales in the first quarter of 2007 are expected to be $928 million to $930 million, or approximately 8% over the first quarter of 2006, and sales for the remaining quarters are expected to increase 10% to 11% over prior year. Sales estimates for the first quarter incorporate the following contributing factors: four fewer billing days in Japan, the Company's second largest geographic market; the full year effect of the April 1, 2006 price decrease in Japan as well as the additional scheduled price decrease in Japan effective January 1, 2007, both of which have been announced previously; and, the loss of the Company's OrthoPat distribution contract, effective February 28, 2006. Excluding these factors, expected first quarter sales growth would be approximately 10%.

Full year 2007 adjusted* diluted earnings per share are expected to be approximately $3.89 to $3.91, which is consistent with First Call's estimate of $3.90 and approximately 15% growth over prior year. Adjusted diluted earnings per share for the first quarter are expected to be $0.91 to $0.92, an increase of approximately 12% over the first quarter of 2006. Earnings in the first quarter are expected to grow at a slower rate than the remaining quarters of 2007 due to the previously mentioned lower sales growth and planned spending in direct-to-consumer advertising in support of the Company's new Zimmer(R) Gender Solutions(TM) Knee.

The earnings guidance for 2007 excludes the effect of any decrease in shares outstanding that may result from the newly authorized share repurchase program announced in the Company's December 12, 2006 press release.

The Company will not be hosting a conference call regarding this press release and will discuss guidance in more detail during its fourth quarter 2006 financial results conference call with analysts at

8:00 a.m., EST, on Tuesday, January 30, 2007.

About the Company

Founded in 1927 and headquartered in Warsaw, Indiana, Zimmer is the worldwide #1 pure-play orthopaedic leader in designing, developing, manufacturing and marketing reconstructive and spinal implants, trauma and related orthopaedic surgical products. Zimmer has operations in more than 24 countries around the world and sells products in more than 100 countries. Zimmer's 2005 sales were approximately $3.3 billion. The Company is supported by the efforts of more than 6,700 employees worldwide.

Visit Zimmer on the worldwide web at http://www.zimmer.com

*As used in this press release, the term "adjusted" refers to operating performance measures that exclude acquisition, integration and other expenses. Reconciliations of these non-GAAP measures to the most directly comparable GAAP measure are included in this press release.

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 ability to successfully integrate acquired businesses, the outcome of the Department of Justice investigations announced in March 2005 and June 2006, 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 form and implement alliances, international growth, governmental laws and regulations affecting our U.S. and international businesses, including tax obligations and risks, product liability and intellectual property litigation losses, reimbursement levels from third-party payors, 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.

ZIMMER HOLDINGS, INC.
Reconciliation of Diluted EPS and Adjusted Diluted EPS
For the Three Months Ended March 31, 2007 and 2006
(unaudited)

	Three Months Ended March 31,	
	2007	2006
Diluted EPS	$0.92	$0.82
Acquisition, integration and other (net of tax)	-	-
Adjusted Diluted EPS	$0.92	$0.82

ZIMMER HOLDINGS, INC.
Reconciliation of Diluted EPS and Adjusted Diluted EPS
For the Twelve Months Ended December 31, 2007
(unaudited)

	Twelve Months Ended December 31,
	2007
Diluted EPS	$3.90
Acquisition, integration and other (net of tax)	0.01
Adjusted Diluted EPS	$3.91

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SOURCE Zimmer Holdings, Inc.

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