

Zimmer Establishes Spinal Unit as Part of New Business Unit Structure, Announces Reconstructive and Asia-Pacific Executive Promotions

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WARSAW, Ind., Sep 3, 2002 /PRNewswire-FirstCall via COMTEX/ -- In order to intensify its focus on growth opportunities in its core reconstructive business and in other rapidly growing orthopaedic segments, Zimmer Holdings, Inc. (NYSE: ZMH) announced today that it is creating two, new separate operating units within its orthopaedics business. The company also announced that it has appointed two members of its operating committee to lead those businesses, and promoted a third executive to fill a vacancy created in the process.

These announcements solidify six operating divisions at Zimmer -- Americas, Europe, Asia-Pacific, Reconstructive, Spine/Trauma, and Orthopaedic Surgical Products. Effective immediately, the Spine/Trauma division will also include the company's Puerto Rico manufacturing operations.

Sheryl Conley, 42, has been promoted to the new position of President, Zimmer Reconstructive. Conley previously held the position of Vice President, Global Brand Management and Commercialization, where she was responsible for worldwide marketing and product development activities.

John Krelle, 50, has been promoted to the new position of President, Zimmer Spine/Trauma. Krelle most recently served as President, Zimmer Asia- Pacific. He has been based in Tokyo since 2000 and also served as President, Zimmer Japan, until earlier this year when he established new local management for the market.

"Zimmer has tremendous opportunities for growth in our core reconstructive business, including the area of minimally invasive orthopaedic surgery, where we are the acknowledged industry leader," said Ray Elliott, Zimmer Chairman, President and CEO. "We are also in a position to leverage our many strengths in the market for success in the rapidly growing spinal and trauma areas. In order to assure that each area of opportunity has the maximum focus possible, we are creating two, new separate business units, one for reconstructive, one for spine and trauma."

Elliott said the company expected the new structure to provide greater visibility for investors, but added that products would still be marketed under the Zimmer brand. "We have said since the start of our turnaround in late 1997 that we liked simple business plans, and in many ways this further simplifies our operation," said Elliott. "We have gained competitive advantage in the flawless execution of well understood plans, and we believe these changes will provide even greater focus on execution, while allowing us to provide a wider range of complete P&L and Balance Sheet experience for a superb leadership team." Elliott said that he did not expect the new structure to materially add to SG&A expenses.

Conley, in her twentieth year with Zimmer, joined the company in 1983 and has held a variety of scientific, marketing and general management positions, including General Manager, Zimmer Canada. She holds a bachelor's degree in Biology and Chemistry and an MBA from Ball State.

Krelle, a native of England and in his sixteenth year with Zimmer, joined the company in 1987 in the United Kingdom. He has served in a variety of marketing and general management positions, including Vice President, Global Knee Marketing, and Vice President, Patient Care Global Marketing and Development. Krelle holds a bachelor's degree in mechanical engineering and an MBA from Sussex University, U.K.

Both Krelle and Conley also attended UCLA's Anderson School of Management Program on Global Medical Devices.

Replacing Krelle as President, Zimmer Asia-Pacific, is Stephen Ooi, 49, who has served as Vice President, Asia, with responsibilities for all Asia- Pacific markets excluding Japan, Australia and New Zealand. Ooi, in his sixteenth year with Zimmer, joined the company in 1986 and has held positions of increasing responsibility for operations in the region. Ooi holds a bachelor's degree in Pharmacy and an MBA from the National University of Singapore. He will report directly to Elliott.

Zimmer, based in Warsaw, Indiana, is a global leader in the design, development, manufacture and marketing of reconstructive orthopaedic implants and fracture management products. Orthopaedic reconstruction implants restore joint function lost due to disease or trauma in joints such as knees, hips, shoulders and elbows. Fracture management products are devices used primarily to reattach or stabilize damaged bone and tissue to support the body's natural healing process. Zimmer also manufactures and markets other products related to orthopaedic and general surgery. For the year 2001, Zimmer recorded worldwide revenues of approximately \$1.2 billion. Zimmer was founded in 1927 and has more than 3,500 employees worldwide.

Visit Zimmer on the Worldwide Web at www.zimmer.com.

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