

Zimmer Initiates Quarterly Dividend and Announces New Share Repurchase Program

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WARSAW, Ind., Dec. 19, 2011 /PRNewswire/ -- Zimmer Holdings, Inc. (NYSE: ZMH; SIX: ZMH), a global leader in musculoskeletal care, today announced that its Board of Directors has approved the payment of a quarterly cash dividend to stockholders for the first quarter of 2012. Zimmer's Board of Directors also has authorized a new share repurchase program.

"The opportunity to initiate a quarterly dividend results from our rigorous financial and operational discipline and reinforces our confidence in the Company's future and our commitment to generating value for stockholders," said David Dvorak, Zimmer President and CEO. "This year marked our tenth anniversary as a publicly traded company. Given the substantial increase in revenues since the spin-off from our former parent, our leadership position in our core reconstructive product categories and the considerable strength of our balance sheet coupled with our capacity to generate cash, now is an appropriate time to solidify our commitment to return value to our stockholders. We are confident that the Company will continue to generate sufficient cash to pursue targeted strategic acquisitions while providing increased value for our stockholders through dividend and share repurchase programs."

The initial quarterly cash dividend of \$0.18 per share will be paid on or about April 27, 2012, to stockholders of record as of the close of business on March 30, 2012. Future declarations of dividends are subject to approval of the Board of Directors and may be adjusted as business needs or market conditions change.

In the past year, Zimmer has demonstrated its commitment to pursue strategic growth opportunities through external development by completing three acquisitions — Beijing Montagne Medical Device Co., Ltd., Sodem Diffusion S.A., and ExtraOrtho, Inc. Since 2005, the Company also has returned considerable value to stockholders through approximately \$4.5 billion of share repurchases.

The new share repurchase program authorizes purchases of up to \$1.5 billion of the Company's common stock through December 31, 2014. No further purchases will be made under the earlier program, which authorized purchases through December 31, 2013.

Repurchases under the program may be made in the open market or in privately negotiated transactions from time to time in compliance with Securities and Exchange Commission regulations, depending on market conditions and other factors. The Company had approximately 179.2 million shares of common stock outstanding as of October 26, 2011.

About the Company

Founded in 1927 and headquartered in Warsaw, Indiana, Zimmer designs, develops, manufactures and markets orthopaedic reconstructive, spinal and trauma devices, dental implants, and related surgical products. Zimmer has operations in more than 25 countries around the world and sells products in more than 100 countries. Zimmer's 2010 sales were approximately \$4.2 billion. The Company is supported by the efforts of more than 8,000 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. For a 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.

SOURCE Zimmer Holdings, Inc.

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