ZIMMER BIOMET

Zimmer Reports Fourth Quarter and 2003 Financial Results

Feb 09, 2004

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Fourth Quarter Highlights

- Net Sales increased 90% reported, and 19% combined* (13% constant currency*) to $702 million
- Worldwide Reconstructive Sales (including Dental) increased 97% reported, and 20% combined* (14% constant currency*)
- Diluted EPS were $0.15 reported, and $0.51 adjusted*, an increase of 38% over prior year
- Over $250 million of acquisition-related borrowings paid down in the quarter
- Increasing 2004 Diluted EPS guidance to a range from $1.61 to $1.64 reported and $2.07 to $2.10 adjusted* Full-Year Highlights
- Net Sales increased 39% reported, and 20% combined* (15% constant currency*) to $1.9 billion
- Worldwide Reconstructive Sales (including Dental) increased 43% reported, and 22% combined* (17% constant currency*)
- Diluted EPS (before the cumulative effect of change in accounting principle for instruments) were $1.38 reported, were $1.80 adjusted*, an increase of 37% over prior year
- Operating cash flow of nearly $500 million
- $3.4 billion Centerpulse AG and InCentive Capital AG acquisitions completed
- Zimmer Institute opened and nearly 500 surgeons trained on MIS(TM) 2-Incision(TM) Hip Procedure

Zimmer Holdings, Inc. (NYSE: ZMH; SWX: ZMH) today reported net sales and earnings for the fourth quarter and year ended December 31, 2003, exceeding First Call consensus estimates.

The company's reported results reflect its acquisitions of both Centerpulse AG and InCentive Capital AG, which closed on October 2, 2003. The company is also providing a comparison of sales to prior year on a combined* basis, incorporating sales for Centerpulse in the fourth quarter 2002. Reported results include acquisition and integration expenses, in-process R&D write-offs,

inventory step-up and the cumulative effect of a change in accounting principle, as applicable.

"Zimmer continues to deliver on the expectations communicated when we became a public company in 2001 -- our financial performance is at the top of the medical device industry, we have greatly expanded our market presence in Europe, we have entered the rapidly growing spinal market and, in our first quarter of consolidated results, we grew combined* reconstructive sales by 20%," said Ray Elliott, Zimmer Chairman, President and CEO. "As a result of continued strong operating cash flow, cash acquired as part of the Centerpulse AG and InCentive Capital AG transactions, and the initial monetization of Centerpulse tax loss carryforwards, we paid down nearly 20% of our acquisition-related borrowings in the first quarter of consolidated operations. Our momentum is strong."

A significant initiative for Zimmer has been its program for Minimally Invasive Solutions(TM) (MIS(TM)) Procedures and Technologies. During the year, the company opened its Zimmer Institute and the number of surgeons trained to perform the Zimmer MIS(TM) 2-Incision Hip procedure and the Zimmer MIS(TM) Quad-Sparing(TM) (Q-S(TM)) Total Knee Replacement procedure totaled nearly 600. The Zimmer MIS Quad-Sparing Knee procedure will be formally launched in March at the annual American Academy of Orthopaedic Surgeons meeting. More recently, the company was granted a method and apparatus patent for its unique MIS 2-Incision Hip procedure by the U.S. Patent and Trademark Office.

"Our integration of the Centerpulse acquisition remains ahead of schedule with the strategic value becoming a reality, including both the anticipated synergies and dis-synergies," said Elliott. "We have over 100 full-time integration team members actively executing on more than 250 discrete integration projects, and we are on our way to functioning as a unified, global orthopaedic powerhouse."

Due to the acquisition of Centerpulse, net sales for geographic segments and product categories are presented in tabular format as follows for comparison of both reported and combined* results.

Fourth Quarter Net Sales Results

($ MM)	Reported		Combi
	Net Sales	% Growth	% Grc Combined*
Geographic Segments			
Americas	$393	61 %	17 %
Europe	200	292	24
Asia Pacific	109	45	20
Total	702	90	19
Product Categories			
Reconstructive			
Americas	$302	61 %	19 %
Europe	184	305	23
Asia Pacific	86	52	20
Total	572	97	20
Hips			
Americas	$111	46 %	19 %
Europe	101	575	27
Asia Pacific	45	55	19
Total	257	114	22

Knees			
Americas	$162	55 %	21 %
Europe	72	147	18
Asia Pacific	36	35	18
Total	270	68	20
Trauma	$44	28 %	17 %
Spine	$34	N/A	12 %
Orthopaedic Surgical Products	$52	13 %	13 %

Net earnings for the quarter were $37 million on a reported basis, and were $125 million adjusted*, an increase of 72% over the prior year. Diluted earnings per share for the quarter were $0.15 reported, and were $0.51 adjusted*, an increase of 38% over the prior year.

Full-Year Net Sales Results

($ MM)	Reported		Combine
	Net Sales	% Growth	% Growt Combined*
Geographic Segments			
Americas	$1,208	30 %	18 %
Europe	366	115	30
Asia Pacific	327	21	15
Total	1,901	39	20
Product Categories			
Reconstructive			
Americas	$941	33 %	21 %
Europe	330	119	30
Asia Pacific	250	25	16
Total	1,521	43	22
Hips			
Americas	$366	27 %	20 %
Europe	152	196	31
Asia Pacific	128	25	15
Total	646	46	21
Knees			
Americas	$524	32 %	23 %
Europe	163	72	29
Asia Pacific	114	21	16
Total	801	37	23
Trauma	$152	13 %	11 %
Spine	$34	N/A	12 %
Orthopaedic Surgical Products	$194	10 %	10 %

Net earnings for the year were $346 million on a reported basis, and were $381 million adjusted*, an increase of 48% over the prior year. Diluted earnings per share for the year were $1.38 reported (before the cumulative effect of the change in accounting principle for instruments), and were $1.80 adjusted*, an increase of 37% over the prior year.

Guidance

The company announced that it was increasing its sales and earnings guidance for the full year 2004. Full-year sales are projected to be in a range of $2,850 to $2,900 million. Reported diluted earnings per share are expected to be in the range of $1.61 to $1.64, reflecting estimated acquisition and integration expenses of $79 million and inventory step-up of $35 million, net of tax, and adjusted* diluted earnings per share are projected to be in a range of $2.07 to $2.10.

First quarter 2004 sales are expected to be in a range of $690 to $705 million. Diluted earnings per share for the first quarter 2004 are expected to be $0.26 to $0.27 on a reported basis and $0.47 to $0.48 adjusted*, excluding inventory step-up expenses and acquisition and integration expenses of $33 million and $18 million, respectively, after tax.

The company also said it was reaffirming its forecast of 2005 adjusted* diluted earnings per share growth in the range of 20 to 25%, with the potential to exceed 25% adjusted* diluted earnings per share growth in 2006.

The company will conduct its fourth quarter and full-year 2003 investor conference call, which will be broadcast live over the Internet, on Tuesday, February 10, 2004, at 8am (EST). The live audio webcast of Zimmer's conference call, as well as a copy of this press release and any other financial and statistical information about the periods to be presented in the conference call, will be accessible through the Zimmer website at www.zimmer.com (Investor Relations section). The webcast will be archived for future replay. Individuals who wish to dial into the conference call may do so at (800) 406-1106. International callers should dial (706) 634-7075. A digital recording will be available two hours after the completion of the conference from February 10, 2004 to February 24, 2004. To access the recording, US/Canada callers should dial (800) 642-1687, or for International callers, dial (706) 645-9291, and enter the Conference ID, 4998295.

Zimmer had previously announced that it will conduct a meeting for investment analysts on March 10, 2004, during the American Academy of Orthopaedic Surgeons meeting. The investment analyst meeting will be held at the San Francisco Hilton, beginning at 5pm (PST), in the Imperial A Ballroom. The meeting will be hosted by Ray Elliott, Chairman, President and CEO, and Sam Leno, Executive Vice President, Corporate Finance and Operations and Chief Financial Officer. The meeting will include a company presentation, which will be available on the company website at www.zimmer.com , followed by a question-and-answer period. A technology exhibit featuring products from Zimmer as well as products acquired through the Centerpulse transaction will also be open to investment analysts on Thursday, March 11, 2004, from 4:30pm to 6pm. These include Minimally Invasive Solutions(TM) (MIS(TM)) Procedures and Technologies, advanced bearing surfaces, orthobiologics, and Trabecular Metal(TM) Technology, among others. Admittance procedures and the location of the technology exhibit will be announced at the investment analyst meeting. Investment analysts who wish to register for the meeting and the technology exhibit should contact Michele Picillo at 574-372-4474 or by e-mail atmichele.picillo@zimmer.com .

About the Company

Founded in 1927 and headquartered in Warsaw, Indiana, Zimmer is the worldwide #1 pure-play orthopaedic leader in the design, development, manufacture and marketing of reconstructive and spinal implants, trauma and related orthopaedic surgical products. In October, 2003, the company finalized its acquisition of Centerpulse AG, a Switzerland-based orthopaedics company and the leader in the European reconstructive market. Zimmer now has operations in more than 24 countries around the world and sells products in more than 80 countries. As a result of the acquisition of Centerpulse on October 2, 2003, reported 2003 sales were $1.9 billion. Full-year 2003 pro forma worldwide sales of Zimmer and Centerpulse were approximately $2.6 billion. The new Zimmer is supported by the efforts of nearly 7,000 employees.

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    Visit Zimmer on the worldwide web at www.zimmer.com

    *Note on Non-GAAP Financial Measures
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As used in this press release, the term "combined" sales includes Centerpulse for the fourth quarter of 2002 in order to provide more meaningful year-to-year comparisons. The terms "Ex FX" and "constant currency" as used herein refer to sales growth measurements computed by eliminating the effect of changes in foreign currency exchange rates between periods. The term "adjusted" refers to operating performance measures that exclude acquisition and integration expenses, in-process research and development write-offs, inventory step-up and the cumulative effect of the change in accounting principle for instruments for the fourth quarter and full-year 2003. Reconciliations of non-GAAP measures to the most directly comparable GAAP measure are included in this press release, a Form 8-K filed February 9, 2004, and through the company's website at www.zimmer.com .

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," "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 Centerpulse AG, the outcome of the pending informal SEC investigation of Centerpulse accounting, 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, U.S. and foreign government regulation, 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 the disclosure materials filed by Zimmer with the U.S. Securities and Exchange Commission. Zimmer disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise. 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.
CONSOLIDATED STATEMENTS OF EARNINGS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2003 and 2002
(in millions, except per share amounts - unaudited)

	2003	2002
Net Sales	$701.6	$370.2
Cost of products sold	224.1	93.7
Gross Profit	477.5	276.5
Research and development	37.3	21.8
Selling, general and administrative	287.1	143.6
In-process research & development	11.2	-
Acquisition and integration	76.4	-
Operating expenses	412.0	165.4
Operating Profit	65.5	111.1
Interest expense	10.2	2.1
Earnings before income taxes and minority interest	55.3	109.0
Provision for income taxes	18.8	36.8
Earnings before minority interest	36.5	72.2
Minority interest	0.5	-
Net Earnings	$37.0	$72.2
Earnings Per Common Share		
Basic	$0.15	$0.37
Diluted	$0.15	$0.37
Weighted Average Common Shares Outstanding		
Basic	242.0	195.1
Diluted	245.4	197.4

ZIMMER HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF EARNINGS
FOR THE YEARS ENDED DECEMBER 31, 2003 and 2002
(in millions, except per share amounts - unaudited)

	2003	2002	%
Net Sales	$1,901.0	$1,372.4	
Cost of products sold	516.2	344.8	
Gross Profit	1,384.8	1,027.6	
Research and development	105.8	80.7	
Selling, general and administrative	737.5	546.0	
In-process research & development	11.2	-	
Acquisition and integration	79.6	-	
Operating expenses	934.1	626.7	

Operating Profit	450.7	400.9
Interest expense	13.2	12.0
Earnings before income taxes, cumulative effect of change in accounting principle and minority interest	437.5	388.9
Provision for income taxes	146.8	131.1
Earnings before cumulative effect of a change in accounting principle and minority interest	290.7	257.8
Cumulative effect of change in accounting principle, net of tax	55.1	-
Earnings before minority interest	345.8	257.8
Minority interest	0.5	-
Net Earnings	$346.3	$257.8
Earnings Per Common Share - Basic		
Earnings before cumulative effect of change in accounting principle	$1.40	$1.33
Cumulative effect of change in accounting principle, net of tax	0.27	-
Earnings Per Common Share - Basic	$1.67	$1.33
Earnings Per Common Share - Diluted		
Earnings before cumulative effect of change in accounting principle	$1.38	$1.31
Cumulative effect of change in accounting principle, net of tax	0.26	-
Earnings Per Common Share - Diluted	$1.64	$1.31
Pro Forma Amounts Assuming the New Accounting Principle is Applied Retroactively		
Net Earnings	$291.2	$260.8
Earnings Per Common Share - Basic	$1.40	$1.34
Earnings Per Common Share - Diluted	$1.38	$1.33
Weighted Average Common Shares Outstanding		
Basic	207.7	194.5
Diluted	211.2	196.8

ZIMMER HOLDINGS, INC.
ADJUSTED CONSOLIDATED STATEMENTS OF EARNINGS **
FOR THE THREE MONTHS ENDED DECEMBER 31, 2003 and 2002
(in millions, except per share amounts - unaudited)

	2003	2002
Net Sales	$701.6	$370.2
Cost of products sold	181.4	93.7
Gross Profit	520.2	276.5
Research and development	37.3	21.8
Selling, general and administrative	287.1	143.6
Operating expenses	324.4	165.4
Operating Profit	195.8	111.1
Interest expense	10.2	2.1
Earnings before income taxes & minority interest	185.6	109.0
Provision for income taxes	61.6	36.8
Earnings before minority interest	124.0	72.2
Minority interest	0.5	-
Net Earnings	$124.5	$72.2
Earnings Per Common Share		
Basic	$0.51	$0.37
Diluted	$0.51	$0.37
Weighted Average Common Shares Outstanding		
Basic	242.0	195.1
Diluted	245.4	197.4

** 2003 excludes the effects of acquisition and integration expenses ($76.4), in-process research and development write-offs ($11.2), inventory step-up ($42.7) and related income tax benefits ($42.8).

ZIMMER HOLDINGS, INC.
ADJUSTED CONSOLIDATED STATEMENTS OF EARNINGS**
FOR THE YEARS ENDED DECEMBER 31, 2003 and 2002
(in millions, except per share amounts - unaudited)

	2003	2002	%
Net Sales	$1,901.0	$1,372.4	
Cost of products sold	473.5	344.8	
Gross Profit	1,427.5	1,027.6	
Research and development	105.8	80.7	
Selling, general and administrative	737.5	546.0	
Operating expenses	843.3	626.7	
Operating Profit	584.2	400.9	
Interest expense	13.2	12.0	
Earnings before income taxes and minority interest	571.0	388.9	
Provision for income taxes	190.7	131.1	
Earnings before minority interest	380.3	257.8	
Minority interest	0.5	-	

Net Earnings	$380.8	$257.8
Earnings Per Common Share		
Basic	$1.83	$1.33
Diluted	$1.80	$1.31
Weighted Average Common Shares Outstanding		
Basic	207.7	194.5
Diluted	211.2	196.8

** 2003 excludes the effects of acquisition and integration expenses ($79.6), in-process research and development write-offs ($11.2), inventory step-up ($42.7), and related income tax benefits ($43.9), and cumulative effect of change in accounting principle, net of tax ($55.1).

ZIMMER HOLDINGS, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
AS OF DECEMBER 31, 2003 AND DECEMBER 31, 2002
(in millions)
(unaudited)

	December 31, 2003	Dece
Assets		
Current Assets:		
Cash and equivalents	$92.0	
Receivables, net	486.4	
Inventories, net	527.7	
Other current assets	232.6	
Total Current Assets	1,338.7	
Property, Plant and Equipment, net	525.2	
Intangible assets	760.5	
Goodwill	2,291.8	
Other Assets	239.8	
Total Assets	$5,156.0	$
Liabilities and Shareholders' Equity		
Current Liabilities	$672.9	$
Short-term Debt	101.3	
Other Long-term Liabilities	223.7	
Long-term Debt	1,007.8	
Minority Interest	7.0	
Shareholders' Equity	3,143.3	
Total Liabilities and Shareholders' Equity	$5,156.0	$

ZIMMER HOLDINGS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2003 and 2002
(in millions)
(unaudited)

	2003
Cash flows provided by (used in) operating activities	
Net earnings	$346.3
Depreciation and amortization	103.3
Inventory step-up	42.7
Write-off of in-process research and development	11.2
Cumulative effect of change in accounting principle	(89.1)
Changes in operating assets and liabilities, net of acquired assets and liabilities	
Income taxes	117.8
Receivables	(39.0)
Inventories	(105.6)
Accounts payable and accrued expenses	75.9
Other assets and liabilities	31.3
Net cash provided by operating activities	494.8
Cash flows used in investing activities	
Additions to instruments	(113.6)
Additions to other property, plant and equipment	(44.9)
Centerpulse and InCentive acquisitions, net of acquired cash	(913.2)
Investments in other assets	(16.5)
Net cash used in investing activities	(1,088.2)
Cash flows provided by (used in) financing activities	
Proceeds from exercise of stock options	70.5
Net proceeds/(payments) on lines of credit	170.6
Proceeds from term loans	550.0
Payments on term loans	(100.0)
Debt issuance costs	(19.4)
Equity issuance costs	(6.9)
Net cash provided by (used in) financing activities	664.8
Effect of exchange rates on cash and cash equivalents	4.9
Increase in cash and cash equivalents	76.3
Cash and cash equivalents, beginning of year	15.7
Cash and cash equivalents, end of year	$92.0

ZIMMER HOLDINGS, INC.
NET SALES BY GEOGRAPHIC SEGMENT
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2003
(in millions)
(unaudited)

	Three Months Ended Decem		
	2003	2002	% I
Americas	$392.4	$244.0	

Europe	200.1	51.1
Asia Pacific	109.1	75.1
Total	$701.6	$370.2

	Twelve Months Ended Dece		
	2003	2002	% I
Americas	$1,208.3	$932.9	
Europe	366.0	169.9	
Asia Pacific	326.7	269.6	
Total	$1,901.0	$1,372.4	

ZIMMER HOLDINGS, INC.
NET SALES BY PRODUCT CATEGORY
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2003
(in millions)
(unaudited)

	Three Months Ended Decemb		
	2003	2002	% I
Reconstructive	$571.6	$290.0	
Trauma	43.6	34.1	
Spine	33.6	-	
OSP	52.8	46.1	
Total	$701.6	$370.2	

	Twelve Months Ended Decem		
	2003	2002	% I
Reconstructive	$1,521.0	$1,061.7	
Trauma	151.6	133.8	
Spine	33.6	-	
OSP	194.8	176.9	
Total	$1,901.0	$1,372.4	

ZIMMER HOLDINGS, INC.
RECONCILIATION OF NET EARNINGS TO ADJUSTED NET EARNINGS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2003
(in millions)
(unaudited)

	Three Months Ended December 31	
	2003	2002
Net Earnings	$37.0	$72.2
Acquisition and Integration	76.4	-
Inventory Step-up	42.7	-
In-process Research and Development	11.2	-
Tax Benefit of Acquisition and Integration, Inventory Step-up and IPR&D	(42.8)	-
Cumulative Effect of Change in Accounting Principle, net of tax	-	-
Adjusted Net Earnings	$124.5	$72.2

	Twelve Months Ended December 31	
	2003	2002
Net Earnings	$346.3	$257.8
Acquisition and Integration	79.6	-
Inventory Step-up	42.7	-
In-process Research and Development	11.2	-
Tax Benefit of Acquisition and Integration, Inventory Step-up and IPR&D	(43.9)	-
Cumulative Effect of Change in Accounting Principle, net of tax	(55.1)	-
Adjusted Net Earnings	$380.8	$257.8

ZIMMER HOLDINGS, INC.
RECONCILIATION OF DILUTED EPS TO ADJUSTED DILUTED EPS
FOR THE THREE AND TWELVE MONTHS ENDED DECEMBER 31, 2003
(in millions)
(unaudited)

	Three Months Ended December 31, 2003	Twelve Mon Decem 20
Diluted EPS	$0.15	$1.
Acquisition and Integration	0.31	0.
Inventory Step-up	0.18	0.
In-process Research and Development	0.05	0.
Tax Benefit of Acquisition and Integration, Inventory Step-up and IPR&D	(0.18)	(0.
Cumulative Effect of Change in Accounting Principle, net of tax	-	(0.
Adjusted Diluted EPS	$0.51	$1.

ZIMMER HOLDINGS, INC.
RECONCILIATION OF REPORTED AND ADJUSTED STATEMENTS OF EARNINGS
FOR THE THREE MONTHS ENDED DECEMBER 31, 2003
(in millions, except per share amounts - unaudited)

	Reported 2003	Adjustments	Adju
Net Sales	$701.6	$ -	
Cost of products sold	224.1	(42.7)	
Gross Profit	477.5	42.7	
Research and development	37.3	-	
Selling, general and administrative	287.1	-	
In-process research & development	11.2	(11.2)	
Acquisition and integration	76.4	(76.4)	
Operating expenses	412.0	(87.6)	
Operating Profit	65.5	130.3	
Interest expense	10.2	-	

Earnings before income taxes and minority interest	55.3	130.3
Provision for income taxes	18.8	42.8
Earnings before minority interest	36.5	87.5
Minority interest	0.5	-
Net Earnings	$37.0	$87.5
Earnings Per Common Share		
Basic	$0.15	$0.36
Diluted	$0.15	$0.36
Weighted Average Common Shares Outstanding		
Basic	242.0	
Diluted	245.4	

ZIMMER HOLDINGS, INC.
RECONCILIATION OF REPORTED AND ADJUSTED STATEMENTS OF EARNIN
FOR THE YEAR ENDED DECEMBER 31, 2003
(in millions, except per share amounts - unaudited)

	Reported 2003	Adjustments	Adju
Net Sales	$1,901.0	$ -	$
Cost of products sold	516.2	(42.7)	
Gross Profit	1,384.8	42.7	
Research and development	105.8	-	
Selling, general and administrative	737.5		
In-process research & development	11.2	(11.2)	
Acquisition and integration	79.6	(79.6)	
Operating expenses	934.1	(90.8)	
Operating Profit	450.7	133.5	
Interest expense	13.2	-	
Earnings before income taxes, cumulative effect of change in accounting principle and minority interest	437.5	133.5	
Provision for income taxes	146.8	43.9	
Earnings before cumulative effect of a change in accounting principle and minority interest	290.7	89.6	
Cumulative effect of change in accounting principle, net of tax	55.1	(55.1)	
Earnings before minority interest	345.8	34.5	
Minority interest	0.5	-	
Net Earnings	$346.3	$34.5	
Earnings Per Common Share - Basic			
Earnings before cumulative effect of change in accounting principle	$1.40	$0.43	
Cumulative effect of change in accounting principle,			

net of tax	0.27	(0.27)
Earnings Per Common Share - Basic	$1.67	$0.16
Earnings Per Common Share - Diluted		
Earnings before cumulative effect of change in accounting principle	$1.38	$0.42
Cumulative effect of change in accounting principle, net of tax	0.26	(0.26)
Earnings Per Common Share - Diluted	$1.64	$0.16
Weighted Average Common Shares Outstanding		
Basic	207.7	
Diluted	211.2	

SOURCE Zimmer Holdings, Inc.

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