

Zimmer to Market Bone Graft Substitute for Use in Spinal Indications

Oct 22, 2001

WARSAW, Ind., Oct. 22 /PRNewswire/ -- Zimmer Holdings, Inc. (NYSE: ZMH) announced today that it will begin marketing Collagraft® Bone Graft Matrix for an expanded set of indications, including use in the spine. The product's manufacturer, NeuColl, recently received clearance from the FDA for the expanded indications.

"We are delighted to now be able to pursue bone gap spinal indications, one of the largest and fastest growing segments of the bone graft substitute market," said Zimmer Chairman and Chief Executive Officer Ray Elliott. "The additional indications are an excellent adjunct to our comprehensive offering in trauma products."

The U.S. market for bone graft substitutes is projected by industry sources to be approximately \$300 million in 2002. More than half of those sales are expected to be for use in repairing spinal defects. Zimmer has distributed Collagraft since 1993, when the product was first approved for marketing in the United States. The approved indications in place since that time were limited to acute long bone fractures and traumatic bone defects.

The FDA's recent decision expands the indications to include bony voids or gaps of the skeletal system that are not intrinsic to the stability of the bony structure.

Collagraft Implant is comprised of purified fibrillar collagen, hydroxyapatite and tricalcium phosphate. Placed in a bone defect these component materials provide a scaffolding around which the patient's new bone will grow, gradually replacing the graft as the site heals.

Zimmer, based in Warsaw, Indiana, is a global leader in the design, development, manufacturing and marketing of orthopaedic reconstructive implants and fracture management products. Orthopaedic reconstructive 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. Zimmer was founded in 1927 and has more than 3,200 employees worldwide. For the year 2000, Zimmer recorded

worldwide revenues of more than \$1 billion. Zimmer became an independent, publicly traded company on August 7, 2001, when it was spun off from Bristol-Myers Squibb.

Visit Zimmer on the World Wide Web at www.zimmer.com

This press release contains forward-looking statements based on current expectations, estimates, forecasts and projections about the orthopaedics industry, management's beliefs and assumptions made by management. 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, price and product competition, rapid technological development, demographic changes, dependence on new product development, the mix of our products and services, customer demand for our products and services, our ability to successfully integrate acquired companies, control of costs and expenses, our ability to form and implement alliances, international growth, U.S. and foreign government regulation, 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 reports filed by Zimmer with the 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.