Journal Article Says Zimmer Holdings Minimally Invasive Knee Replacement Procedure Generates Significant Hospital Profitability Per Medicare Patient

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WARSAW, Ind., Jan 10, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Zimmer Holdings, Inc. (NYSE: ZMH; SWX: ZMH), a leader in the orthopaedics industry, announced today that its Minimally Invasive Solutions(TM) (MIS(TM)) Quad-Sparing(TM) Knee Replacement Procedure is the subject of an orthopaedic journal article that concludes that Zimmer minimally invasive knee replacement techniques provide superior economic and patient clinical benefits, including average hospital profitability of nearly $3,000 per patient. The study compared Zimmer MIS procedures to traditional total knee arthroplasty procedures.

The authors describe potentially "staggering" savings to the healthcare system, and state that if 10% of standard knee replacements were converted to Zimmer minimally invasive knee replacement procedures, the inpatient hospital cost of treating Medicare beneficiaries could decline by nearly $200 million annually.

In the article, which will appear in the upcoming issue of "Seminars in Arthroplasty," lead author Thomas M. Coon, M.D., describes a number of benefits associated with minimally invasive knee procedures, such as reductions in hospital resource utilization -- including reductions in hospital length of stay and in blood transfusions -- and improvements in immediate post-operative mobility and range of motion. Dr. Coon is the director of the Orthopedic Surgical Institute, Red Bluff, California. Co-authors are Alfred J. Tria, Jr., M.D., New Brunswick, New Jersey; Carlos Lavernia, MD, Miami, Florida; and Leon Randall, RN, Red Bluff, California.

"The clinical and economic benefits of minimally invasive hip replacement have been established in the literature, and we believed that minimally invasive knee replacement would produce the same positive results," said Dr. Coon. "In a group of 159 patients we evaluated, our findings clearly support that thesis -- we saw blood transfusion requirements drop from 34% to 4% and early range of motion increase from 48.6 degrees to 68.6 degrees. Patients walked three times further at the third post-op

day -- 176 feet versus 58 feet. Length of hospital stay dropped two and a half days during the initial evaluation of this procedure, from 5.9 days to 3.4 days, and in my more recent experience the average length of stay is just over one day. Average hospital net margin, based on an analysis of Medicare reimbursement levels and hospital costs for over 400 Zimmer minimally invasive knee replacement patients, was almost $3,000 per surgery."

According to Zimmer Chairman, President and CEO Ray Elliott, the article's findings support the direction the Company has taken in the area of MIS joint replacement. "We established a leadership position in applying minimally invasive concepts to joint replacement because we saw it as a win-win-win for patients, hospitals and those who pay for their health care," Elliott said. "We believe that hospitals can enable significant benefits for their patients while at the same time lowering their costs of providing care and improving their profits specifically on Medicare patients. As the authors indicate, that has tremendous potential ramifications for generating savings in the health care delivery system. Minimally invasive surgery and implants, which are premium priced, can provide superior patient outcomes at lower cost, and these are permanent cost reductions to the system, not the mere cost-shifting and potential conflicts between stakeholders likely associated with programs such as gainsharing."

In Dr. Coon's hospital, St. Elizabeth Community Hospital, Red Bluff, California, an operating room has been added and minimally invasive surgical protocols were implemented. The resulting improvements in total knee replacement surgery facilitated consistency in surgical technique and reduced waiting time between procedure steps, yielding a more efficient operating room with a higher volume of patients treated.

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 2004 sales were approximately $3 billion. The Company is supported by the efforts of more than 6,500 employees worldwide.

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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 Centerpulse AG and Implex Corp., the outcome of the Department of Justice investigation announced in March 2005 and 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, 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 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.

SOURCE Zimmer Holdings, Inc.

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