ZIMMER BIOMET

Zimmer Biomet Update on Product Supply Matters and Responsive Statement on Recently Completed FDA Inspection (December 14, 2016)

Dec 14, 2016

As an update to the Company's statement published on November 8, 2016 concerning product supply matters, Zimmer Biomet continues to make excellent progress enhancing certain aspects of its supply chain infrastructure as it harmonizes and optimizes its sourcing, manufacturing and quality management systems. The Company has been successfully addressing the previously disclosed temporary shipping delays involving certain products and, as expected, most of the impacted product lines have returned to full shipping capacity.

Separately, on December 14, 2016, one or more investment analysts have published reports concerning a recent FDA inspection of a Zimmer Biomet manufacturing facility, and the Company is issuing this statement in response. Like all medical device companies, Zimmer Biomet is subject to periodic FDA inspections. Recently, the FDA completed an inspection of the legacy Biomet manufacturing site in Warsaw, Indiana. As is often the case, at the conclusion of the inspection, the FDA issued various inspectional observations on Form 483.

Zimmer Biomet takes these matters very seriously and is in the process of preparing its written response to the Form 483 observations. The Company has developed and is executing a remediation plan to fully address the issues cited by the FDA and this work is progressing well. Additionally, the Company will continue to communicate with the FDA regarding the status of the corrective actions and remediation work.

Zimmer Biomet is committed to operating a first-rate quality management system across its global manufacturing network. While the Company is taking the necessary steps to address certain regulatory compliance gaps at the legacy Biomet operation in Warsaw, it remains confident in the quality, safety and efficacy of all of its products. No patient safety concerns have been identified with any of the products manufactured at the site.

In conclusion, the anticipated full impact of all of the above-described matters was included in the Company's sales and earnings guidance update issued on October 31, 2016.

Cautionary Statement Regarding Forward-Looking Statements

This communication contains forward-looking statements within the meaning of the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. 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 negatives of such terms or other variations on such terms or comparable terminology. Such statements are based upon the current beliefs and expectations of management and are subject to significant risks and uncertainties that could cause actual outcomes and results to differ materially. For a list and description of some of such risks and uncertainties, see the Company's filings with the Securities and Exchange Commission (the "SEC"). These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements that are included in the Company's filings with the SEC. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except to the extent it is required to do so by law. Accordingly, such forward-looking statements speak only as of the date made. Readers of this communication are cautioned not to place undue reliance on these forward-looking statements, since, while management believes 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 communication.