Zimmer Holdings and ISTO Technologies Announce IND Approval for Neocartilage Graft

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WARSAW, Ind. and ST. LOUIS, June 21, 2006 /PRNewswire-FirstCall via COMTEX News Network/ -- Zimmer Holdings, Inc. (NYSE: ZMH; SWX: ZMH), a leader in the orthopaedics industry, and ISTO Technologies, Inc., an innovative clinical stage orthobiologic company, today announced that the U.S. Food and Drug Administration (FDA) has approved ISTO's Investigational New Drug (IND) application for Neocartilage, a tissue-engineered living tissue graft designed to repair cartilage defects, restore joint function and relieve pain in the knee.

The IND approval allows the companies to move forward with human clinical trials of the novel cartilage regeneration treatment. The companies expect to receive approvals from individual clinical sites to proceed with initial implantations during the second half of this year.

Zimmer and ISTO entered into an agreement in 2002 granting Zimmer exclusive worldwide commercial distribution rights to Neocartilage, which was developed by ISTO. The two companies have since collaborated on further development and pre-clinical testing. Zimmer plans to market the product as DeNovo(R) ET Live Chondral Engineered Tissue Graft. The potential market for DeNovo ET is large, as approximately 500,000 cartilage lesions are treated in knee joints each year in the United States alone.

"We are delighted both to have been given the go-ahead by the regulatory authorities to advance Neocartilage into clinical development, and to be collaborating with the world's leading orthopaedic company to achieve this significant milestone," said Mitchell Seyedin, Ph.D., President and Chief Executive Officer of ISTO.

"Zimmer has made biologics the centerpiece of our innovative investment strategy and we are pleased to have continued our equity investments in ISTO and reached this very concrete milestone in the development of our plans," said Ray Elliott, Chairman, President and Chief Executive Officer of Zimmer Holdings.

Neocartilage is living tissue grown from juvenile chondrocytes (cartilage cells) using ISTO's proprietary cell-based platform technology. Studies have demonstrated that juvenile chondrocytes produce cartilage significantly better than their adult counterparts. ISTO's patented technology allows expansion of these cells and the creation of a tissue graft while maintaining both their functional and repair capacities.

Cartilage works as a low friction articulating surface to protect joints from wear and tear experienced during motion. This articular cartilage can be damaged as a result of injury, or can simply deteriorate over time. Degeneration of cartilage in joints often leads to osteoarthritis as cartilage has limited capability to heal on its own. Most joint replacements are performed as a result of the effects of osteoarthritis.

About Zimmer

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 2005 sales were approximately $3.3 billion. The Company is supported by the efforts of more than 6,700 employees worldwide.

About ISTO Technologies, Inc.

ISTO Technologies, Inc. is a clinical stage orthobiologic company focused on developing differentiated products for sports medicine and spinal therapy. ISTO's products are intended for repair and regeneration of damaged cartilage in joints and spinal discs. For additional information on ISTO, please visit our website at http://www.istotech.com , or contact us at (314) 995-6049, or by e-mail at info@istotech.com .

Visit Zimmer on the worldwide web at http://www.zimmer.com

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, 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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