Governor Daniels Announces Orthopaedics Leader Zimmer to Add 275 Jobs in Warsaw, Major Expansion of Research and Development Center

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WARSAW, Ind., Nov 04, 2005 /PRNewswire-FirstCall via COMTEX News Network/ -- Zimmer Holdings, Inc. (NYSE: ZMH; SWX: ZMH) and Governor Mitch Daniels announced today that the state of Indiana plans to grant more than $5,000,000 over the next 10 years in tax credits and other incentives to support Zimmer's expansion of its research and development capabilities and facilities in Warsaw, Indiana.

"Zimmer is a national leader in the orthopaedics and life sciences sector, an industry that is ripe for continued growth in our state," said Governor Daniels. "This company is a prime example of a technology-based, high-growth business that will help advance and diversify our economy, while simultaneously raising the average income for hard-working Hoosiers."

Zimmer recently applied to the state based on its need for larger facilities to support its drive to create innovative technologies to generate future growth. The new Zimmer facility will house new laboratories and workspace for the Company's corporate research and development group. Total investment in the research and development center is estimated at nearly $24 million. Approximately 275 new professional jobs are expected to be added through 2010 as a result of the expansion, which involves 99,000 square feet of new construction and renovation of 56,000 square feet of existing space.

"We are pleased that the state of Indiana is supportive of our efforts to drive innovation in orthopaedics, and to keep these high quality, advanced technology jobs in Indiana," said Ray Elliott, Zimmer Chairman, President and CEO. "We conduct research and development around the world, but our largest concentration of resources is here in Indiana. These state incentives help to expand our efforts and made our decision easier."

In 2004, Zimmer announced plans to spend approximately $64 million in expanding its existing office, manufacturing and distribution capacity by approximately 200,000 square feet. The Research and

Development Center expansion investment and job creation is in addition to those investments. The company expects to begin construction on the new center in the coming month and occupy the facility in late 2006.

The IEDC, in partnership with the city of Warsaw, worked together to provide an incentive package that helped secure this major expansion.

"I would like to thank Zimmer for their continued investment in our community and the state of Indiana," said Warsaw Mayor Ernie Wiggins. "When industry and government partner to foster growth and create new job opportunities, everyone benefits."

The economic development incentives offered by the IEDC include:

* Up to $50,000 in training grants for technology professionals through the Technology Enhancement Certifications for Hoosiers (TECH) fund;

* Up to $5 million over 10 years in Economic Development for a Growing Economy tax credits (EDGE); and

* Up to $535,000 in tax credits for certain company investments through the Hoosier Business Investment (HBI) tax credit program.

Zimmer has also been granted local tax abatements from the city of Warsaw on the equipment it will add to support the job growth.

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

About IEDC

As a result of legislation passed by the Indiana General Assembly in Feb. 2005, the Indiana Economic Development Corporation replaced the Department of Commerce as the premier entity charged with state economic development. The IEDC has a 12-member board chaired by Gov. Mitch Daniels. Patricia R. Miller, chief executive officer and secretary of commerce of the IEDC, serves in the Governor's cabinet.

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. The forward-looking statements include statements 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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