ZIMMER BIOMET

# Zimmer Plans to Enter U.S. Ceramic Hip Market

Oct 15, 2004

WARSAW, Ind., Oct 15, 2004 /PRNewswire-FirstCall via COMTEX/ -- Zimmer Holdings, Inc. (NYSE: ZMH; SWX: ZMH), a worldwide leader in the orthopaedics industry, announced today it has entered into a satisfactory financial agreement with CeramTec AG of Germany that, pending regulatory approvals, will allow Zimmer to enter the U.S. ceramic-on-ceramic hip replacement market. Financial terms of the agreement were not disclosed.

The agreement will enable Zimmer to submit a request to U.S. and Canadian health officials for authorization to sell a ceramic-on-ceramic system, utilizing CeramTec-manufactured components, based on clinical reference data owned by CeramTec. Zimmer has marketed for several years, outside of North America, a ceramic-on-ceramic system, the Trilogy AB(R) Acetabular System, with ceramic components manufactured by CeramTec, and the Cerasul(R) Ceramic-on-Ceramic Tribological Solution from the legacy Centerpulse business. The Trilogy AB system is part of the Trilogy(R) Acetabular System, which evolved from the successful Harris/Galante and HGP II Cup System designs, and is the world's largest selling family of acetabular products.

"With the addition of a proven ceramic-on-ceramic option in the U.S., Zimmer will be able to offer surgeons a complete offering of alternate bearing surface options, including our successful Longevity(R) Highly Crosslinked Polyethylene, the Trilogy AB ceramic-on-ceramic system and the Metasul(R) Metal-on-Metal Tribological Solution," said Ray Elliott, Zimmer Chairman, President and Chief Executive Officer. "Our view is that ceramic-on-ceramic will remain a niche option, primarily for younger patients, but we are pleased that surgeons will soon be able to turn to Zimmer, not a competitor, to meet all of their preferences."

Zimmer says it plans to file in late 2004 a Premarket Approval Application (PMA) with the Food and Drug Administration (FDA) in the United States. Based on past FDA practices, Zimmer said it hopes to have approval to market the products in the second half of 2005.

In a ceramic-on-ceramic hip replacement system, a ceramic femoral head mates with a ceramic cup liner to form the ball-and-socket articulating couple. Most hip replacement systems employ a metal femoral head which articulates with a polyethylene cup liner.

About the Company

Founded in 1927 and headquartered in Warsaw, Indiana, Zimmer is the worldwide #1 pure-play orthopaedic leader in the design, development, manufacture and marketing of reconstructive and spinal implants, trauma and related orthopaedic surgical products. In October 2003, the Company finalized its acquisition of Centerpulse AG, a Switzerland-based orthopaedics company and the leader in the European reconstructive market. The new Zimmer has operations in more than 24 countries around the world and sells products in more than 80 countries. As a result of the acquisition of Centerpulse, reported 2003 sales were $1.9 billion. Full-year 2003 pro forma worldwide sales of Zimmer and Centerpulse were approximately $2.6 billion. The new Zimmer is supported by the efforts of more than 6,500 employees.

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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," "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 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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