30% Cost Savings and 30% Better Short Term Patient Outcomes in a Zimmer MIS Hip Technique Study

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WARSAW, Ind., Feb 23, 2005 /PRNewswire-FirstCall via COMTEX/ -- Zimmer Holdings, Inc. (NYSE: ZMH; SWX: ZMH), a worldwide leader in the orthopaedics industry, announced today the results from a Zimmer study of the cost effectiveness and patient outcomes associated with the company's Minimally Invasive Solutions(TM) (MIS(TM)) 2-Incision(TM) Hip Replacement Procedure. The research shows that, when compared to conventional hip replacement, the MIS 2-Incision technique, as taught worldwide at Zimmer Institute facilities, saves an average of 30% in costs while typically improving three month clinical outcomes by more than 30%.

"One of the reasons Zimmer elected to make the investments necessary to lead the industry in MIS development was our conviction that we could create benefits for payors and providers, in addition to the tremendous potential benefits for patients," said Ray Elliott, Zimmer Chairman, President and CEO. "This study demonstrates that, in the case of our MIS 2-Incision hip replacement procedure, overall costs, relative to currently available U.S. cost data, can be lowered dramatically while at the same time delivering a significant improvement in the critical first three months of postoperative patient quality of life."

The results are based on an analysis of primary total hip replacements involving more than 700 patients performed by 27 surgeons at 20 hospitals in the United States. The study compared cost and patient outcomes for three procedures: the MIS 2-Incision technique, the Zimmer Mini-Incision technique, and the conventional, open procedure. The Mini-Incision technique is less invasive than the conventional procedure, while the MIS 2-Incision technique is the least invasive of the three and involves operating around and through muscles and soft tissue, rather than cutting down through them.

Average total costs, which are the sum of hospital and rehabilitation costs, were lowest for the MIS 2-Incision technique. Total costs for the MIS 2-Incision technique were $11,072 compared to $13,006 for the Mini-Incision technique and $14,449 for the conventional technique. Operating room costs were

slightly higher for the MIS 2-Incision technique because the procedure typically takes longer to perform, but overall costs were lower due to a reduced need for postoperative patient care and less post-discharge rehabilitation.

Postoperative three-month improvement in physical function for 2-Incision and Mini-Incision cases, as measured by improvement in SF-36 Physical Function scores, was significantly greater than improvement in conventional cases. The SF-36 is a commonly used measure of patient outcomes.

According to Elliott, minimally invasive joint reconstruction is still a relatively new development. "If only one in five of the nearly 250,000 annual U.S. primary total hip reconstructions were successfully performed with a Zimmer MIS 2-Incision minimally invasive technique, we believe annual cost savings could exceed $150 million based on differential costs alone," he said. "Superior early outcomes should result in even greater societal economic value-added, given that some 50% of the total cost of arthritis is associated with lost productivity. These early results represent a potential systemic cost improvement that Zimmer will professionally deliver to patients, payors and providers."

A Massachusetts General Hospital study of MIS 2-Incision and conventional technique patients also demonstrated lower overall costs and improved hospital profitability. The patient outcomes improvement in the Zimmer study is consistent with an Oregon study of 83 MIS 2-Incision patients which showed statistically superior early postoperative recovery and emotional health, and substantial improvements in hospital profitability. Clinically relevant complication rates that occurred in the Zimmer study were well within ranges reported in the literature for conventional techniques. The incidence of perioperative fractures among the MIS 2-Incision patients was lower than that observed for the other two procedures, and there were no reported dislocations, no early postoperative revisions and no deep vein thrombosis. The combined total in all three studies exceeded 1,000 patients.

Zimmer launched the MIS 2-Incision procedure in 2001 and since that time more than 1,100 orthopaedic surgeons worldwide have been trained to perform the procedure. Zimmer has since developed associated technologies, such as Computer Assisted Solutions(TM) surgical guidance systems and a single incision, Anterolateral procedure, which retains the same muscle-sparing concepts as the MIS 2-Incision, while providing surgeons an alternative procedure.

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. In October 2003, the Company finalized its acquisition of Centerpulse AG, a Switzerland-based orthopaedics company and the leader in the European reconstructive market. 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.

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," "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.

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