

Zimmer Supporting Industry-wide Ceramic Femoral Head Recall

Sep 17, 2001

WARSAW, Ind.--(BUSINESS WIRE)--Sept. 17, 2001--Zimmer (NYSE:ZMH) announced today that it is in compliance with an FDA recall order, based on earlier directives from French and British regulatory authorities to return all ceramic femoral heads supplied by a French manufacturer. Although Zimmer is not aware of any product failures among the products it has sold, it is cooperating with this precautionary effort to analyze products manufactured by Saint Gobain Advanced Ceramic Devices.

Ceramic femoral head sales account for less than 1% of Zimmer's global sales of all hip replacement products. In a hip replacement system, a femoral head is the ball that completes the "ball and socket" construct.

"Zimmer did not receive any product from the lot that originally experienced the majority of the failures, nor are we aware of any breakages of products we sold from the additional eight lots," said Ray Elliott, Chairman and Chief Executive Officer. "Because the two European governments asked for a broader analysis, we directed our field representatives to return all unused ceramic femoral heads manufactured by Saint Gobain. We will be cooperating with their investigation in order that our customers can be informed about the performance of these products."

Saint Gobain Advanced Ceramic Devices supplies products to more than 50 orthopaedic companies, according to industry sources.

Zimmer, based in Warsaw, Indiana, is a global leader in the design, development, manufacturing and marketing of orthopaedic reconstructive implants and fracture management products. Orthopaedic reconstructive implants restore joint function lost due to disease or trauma in joints such as knees, hips, shoulders and elbows. Fracture management products are devices used primarily to reattach or stabilize damaged bone and tissue to support the body's natural healing process. Zimmer also manufactures and markets other products related to orthopaedic and general surgery. Zimmer was founded in 1927 and has more than 3,200 employees worldwide. For the year 2000, Zimmer recorded worldwide revenues of more than \$1 billion. Zimmer became an independent, publicly traded company on August 7, 2001, when it was spun off from Bristol-Myers Squibb (NYSE: BMY).

This press release contains forward-looking statements based on current expectations, estimates, forecasts and projections about the orthopaedics industry, management's beliefs and assumptions made by management. 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, price and product competition, rapid technological development, demographic changes, dependence on new product development, the mix of our products and services, customer demand for our products and services, our ability to successfully integrate acquired companies, control of costs and expenses, our ability to form and implement alliances, international growth, U.S. and foreign government regulation, 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 reports filed by Zimmer with the 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.