Zimmer Marks First Anniversary of Centerpulse Acquisition

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WARSAW, Ind., Oct 4, 2004 /PRNewswire-FirstCall via COMTEX/ -- Zimmer Holdings, Inc. (NYSE: ZMH; SWX: ZMH), a worldwide leader in the orthopaedics industry, said today that one year after the successful completion of its offer for Centerpulse AG, Europe's leading reconstructive orthopaedic company, its integration efforts are ahead of schedule and expected cost savings are greater than originally predicted. Zimmer completed the acquisition on October 2, 2003.

Since 2003, several prominent publications have recognized the success of the acquisition by naming the Zimmer-Centerpulse transaction as "deal of the year." Mergers and Acquisitions magazine and Investment Dealers' Digest both rated Zimmer-Centerpulse their "Health Care Deal of the Year." Investment Dealers' Digest noted that "To those working on it, the deal has all the makings of a sweeping epic: class-action litigation, looming bankruptcy, a clash of three vastly different regulatory regimes, massive financing requirements and several expeditiously executed divestitures." The Banker, which rated Zimmer-Centerpulse the "Deal of the Year-Switzerland," commented that "It was the biggest unsolicited bid and first successful competing bid in Swiss corporate history." Euromoney magazine named Zimmer-Centerpulse "Best M&A Deal of the Year, Western Europe."

"The success of this integration is a tribute to our 6,500 worldwide employees and the approximately 100 full-time people, both of whom have contributed thousands of dedicated hours joining these two great companies," said Ray Elliott, Chairman, President and Chief Executive Officer. "Today, we have come together as one company -- the global leader in orthopaedic implants, with powerful product franchises and a reputation for working with surgeons and operating room staffs to advance their skills and knowledge to improve patient outcomes."

Zimmer has completed more than 1,800 of the 3,000-plus milestones that were identified by the company's integration teams. Those milestones represent approximately 280 individual projects, which are tracked by company management on a daily and weekly basis. Achievements to date include:

* Raised initial estimates of annual synergy savings to $100 million
* Initiated a worldwide supply chain strategic plan for manufacturing and distribution networks

* In-sourced a variety of formerly out-sourced manufacturing functions
* Created common worldwide systems for financial and quality systems
* Implemented a global product development system to assure speed-to-market
* Unified professional medical education efforts
* Combined sales organizations with almost no turnover
* Created common branding worldwide
* Concentrated orthobiologics research in Austin, Texas
* Completed worldwide corporate culture focus

Elliott said that while there has been tremendous progress, certain integration activities will continue for the next two years. Complete integration, for example, of all information technology systems and manufacturing production leveling are expected to be ongoing activities over the next two years.

"We positioned this combination as the Perfect Fit when we launched our offer in May 2003," said Elliott. "Our experience since then has validated that view -- these are two businesses whose geographic and technology strengths were very complementary. We expect to see value for years to come as we leverage our Americas and International strengths in Minimally Invasive Solutions(TM) Procedures and Technologies, expand the Zimmer Dental and Spine product lines with new technologies, and focus our research and development work in the exciting area of orthobiologics."

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.

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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