Zimmer to Distribute Innovative Antibiotic Bone Cement

Feb 03, 2005

WARSAW, Ind., Feb 03, 2005 /PRNewswire-FirstCall via COMTEX/ -- Zimmer Holdings, Inc. (NYSE: ZMH; SWX: ZMH), a worldwide leader in the orthopaedics industry, announced today it has acquired United States distribution rights for the Palacos(R) line of bone cement products manufactured by Heraeus Kulzer of Germany, a world leader in the development and production of orthopaedic bone cement products and other health care technologies. The Palacos line is a recognized market leader in cemented orthopaedic surgical procedures. Under the new distribution agreement, Zimmer expects to begin selling Palacos and other Heraeus Kulzer bone cements in the second quarter of this year following an introduction at the American Academy of Orthopaedic Surgeons meeting, and will become the exclusive U.S. distributor for these products in January 2006.

"This agreement with one of the industry leaders in the development and production of bone cement is designed to strengthen our position as the world leader in reconstructive orthopaedic implants," said Ray Elliott, Zimmer Chairman, President and Chief Executive Officer. "With this agreement and our recent announcement regarding our plans for a ceramic-on-ceramic option, we are working to ensure that our customers will be able to turn to Zimmer, and not a competitor, for their joint replacement requirements. The collaboration between Zimmer and Heraeus Kulzer will allow us to build on the excellent reputation Palacos has established for quality and innovation in Europe. With our outstanding sales force and leading position in the domestic market, we believe we can make Palacos even more successful in the U.S."

One of the bone cements included in this agreement is Palacos RG. Marketed in Europe for over 30 years and cleared by the FDA for sale in the United States since December 2003, the clinically proven combination of Palacos R mechanical properties and the addition of the antibiotic Gentamicin has seen rapid market acceptance in the United States. Palacos RG Bone Cement is used by orthopaedic surgeons in joint replacement procedures to securely fix implants to patient bones with the antibiotic acting to reduce the risk of infection. Its handling characteristics make it well suited for minimally invasive procedures.

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.

SOURCE Zimmer Holdings, Inc.

Media: Brad Bishop, +1-574-372-4291, bradley.bishop@zimmer.com , Marc Ostermann, +1-574-371-8515, marc.ostermann@zimmer.com , or Investors: Sam Leno, +1-574-372-4790 sam.leno@zimmer.com , all of Zimmer Holdings, Inc.

http://www.prnewswire.com