Zimmer Holdings Announces Agreement to Acquire ORTHOsoft, A Leader in Computer Assisted Orthopaedic Surgery

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Zimmer Holdings, Inc. (NYSE: ZMH; SWX: ZMH), a leader in the orthopaedics industry, and ORTHOsoft Inc. (TSX-Venture: OSH), a leader in computer navigation for orthopaedic surgery, announced today that Zimmer has reached an agreement to make an offer to acquire all of ORTHOsoft's outstanding common shares in a cash transaction for CDN$1.10 per share (the "Offer"). The total purchase price, excluding the 12.4% of outstanding ORTHOsoft common stock currently held by a Zimmer subsidiary, is approximately CDN$50,000,000.

According to Zimmer, the transaction will be funded out of operating cash flow and is expected to be completed in the fourth quarter of 2007. Zimmer said it estimates the transaction to be approximately $0.01 dilutive to adjusted earnings per share in the fourth quarter of 2007, $0.03 dilutive in 2008 and accretive thereafter.

"We look forward to welcoming ORTHOsoft's leadership team and skilled employees to the Zimmer family," said David Dvorak, Zimmer President and CEO. "Their commitment to innovation and customer support in computer-aided surgical navigation has won the high regard of surgeons in North America and Europe. This acquisition will support our SmartTools strategic initiative and will allow us to vertically integrate our Zimmer(R) Computer Assisted Solutions (CAS) efforts, enabling us to direct future development and to apply CAS concepts across our various businesses."

Founded in 1995, ORTHOsoft develops and markets best-in-class medical software, instruments and computerized systems designed to help orthopaedic surgeons increase accuracy in hip, knee and spine implant surgery. ORTHOsoft's FDA-approved patented software solutions are developed by surgeons for surgeons, resulting in intuitive and easy-to-use navigation that tracks surgical flow and provides surgeons with real-time data, thus helping to improve the surgical process and patient outcomes. The

company was recently selected in the "2006 TSX Venture 50," a ranking of the top emerging public companies listed on that exchange.

"This transaction allows us to deliver significant value for our shareholders while assuring that we will have an opportunity, through the global power of the Zimmer distribution network, to present our technology and expertise to many new customers and markets. This acquisition will allow us to concentrate on specific applications for Zimmer products and provide outstanding universal orthopaedic navigation solutions," said Dr. Louis- Philippe Amiot, Chairman, CEO and founder of ORTHOsoft.

ORTHOsoft's Navitrack(R) Navigation System is a comprehensive suite of universal software tools for total knee and total hip replacement, now running on a new platform, the Sesamoid(TM), and features industry-exclusive high- performance optical reflectors, the NavitrackER(TM). The Navitrack(R) FluoroSpine(R) System assists surgeons in precisely positioning pedicle screws for conventional and minimally invasive procedures in order to help reduce complication rates resulting from implant misplacement. This in turn can potentially help avoid long-term neurological deficits, reduce incidents of implant loosening and avoid reoperations.

Zimmer said it intends to maintain ORTHOsoft's current operations in Montreal and will integrate the company with its existing CAS organization. ORTHOsoft currently has 81 employees, most of whom are engaged in sales and product development.

The board of ORTHOsoft, after consulting with its financial and legal advisors and the Special Committee of directors, has unanimously recommended that ORTHOsoft shareholders accept the Offer. Coady Diemar Partners LLC, as financial advisor to ORTHOsoft's Board, has provided a written opinion to the board of ORTHOsoft that the consideration of CDN$1.10 under the Offer is fair, from a financial point of view, to ORTHOsoft shareholders (other than Zimmer and its affiliates). The consideration of CDN$1.10 per share under the Offer represents a premium of approximately 69% over the closing price of the shares on the TSX Venture Exchange on August 23, 2007, the last trading day prior to the announcement of the Offer and a premium of approximately 66% based on the 20-day average closing price of the shares as of such date.

The support agreement between ORTHOsoft and Zimmer provides for a break-up fee of CDN$1,750,000 payable by ORTHOsoft to Zimmer in certain circumstances. Also, ORTHOsoft may become liable to pay expense reimbursement of CDN$750,000 to Zimmer. In addition, the agreement contains, among other things, customary terms and conditions for an agreement of this nature, including a non- solicitation provision, the right of notification should ORTHOsoft receive a third party proposal and the right to match any proposal which the board of ORTHOsoft deems superior.

Zimmer has also entered into "hard" lock-up agreements with Dr. Louis- Philippe Amiot, Peggy Katsiroumbas, Yvan Beaudoin and SGF Sante Inc. which provide for an irrevocable commitment that they tender in favor of the Offer all of the 20,754,014 common shares they hold in total, representing approximately 40.63% of the outstanding shares of ORTHOsoft on a fully diluted basis.

The take-over bid circular is expected to be mailed to ORTHOsoft shareholders within the next two weeks together with the ORTHOsoft Director's circular.

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The Offer will be subject to certain conditions, including:
-- there shall have been tendered under the Offer and not withdrawn that
   number of common shares, which together with common shares held by
   Zimmer or its affiliates, represents at least 66 2/3 % (on a fully
   diluted basis) of all outstanding common shares and a majority of the
   common shares, the votes attached to which would be included in the
   "minority" approval of a second step business combination pursuant to
   rules of the Ontario Securities Commission and the Autorite des marches
   financiers;
-- all required governmental and regulatory approvals and consents being
   obtained;
-- there shall not have occurred any ORTHOsoft material adverse effect;
   and
-- other customary conditions.
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About Zimmer

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. Zimmer has operations in more than 24 countries around the world and sells products in more than 100 countries. Zimmer's 2006 sales were approximately $3.5 billion. The Company is supported by the efforts of more than 7,000 employees worldwide.

Visit Zimmer on the worldwide web at www.zimmer.com

About ORTHOsoft

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surgeons with real-time data, thus helping to improve the surgical process and patient outcomes. ORTHOsoft's 2006 revenues were approximately CDN$12.7 million.

Visit ORTHOsoft on the worldwide web at www.orthosoft.ca

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," "assumes," "guides," "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 acquired businesses, the outcome of the Department of Justice investigations announced in March 2005 and June 2006, 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 our periodic reports filed with the U.S. Securities and Exchange Commission. We disclaim any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as may be set forth in our periodic reports. 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.

ORTHOsoft Safe Harbor Statement

The TSX Venture Exchange does not accept responsibility for the adequacy or accuracy of this release.

Certain statements contained in this news release, other than statements of fact that are independently verifiable at the date hereof, may constitute forward-looking statements. Such

statements, inherently involve numerous risks and uncertainties, known and unknown, many of which are beyond the control of ORTHOsoft. Such risks include, but are not limited to: the risks that the Offer will be unsuccessful for any reason, the impact of general economic conditions, general conditions in the medical industry, and changes to the competitive environment in the jurisdictions in which ORTHOsoft does business, regulatory changes to the health care industry, and adequate protection of the proprietary interests of ORTHOsoft. Consequently, actual future results may differ materially from the anticipated results expressed in the forward-looking statements. The reader should not place undue reliance on the forward-looking statements included in this press release. These statements speak only as of the date made, and ORTHOsoft is under no obligation and disavows any intention to update or revise such statements as a result of any event, circumstances, or otherwise.

SOURCE Zimmer Holdings, Inc.

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