

Zimmer Announces Actions Affecting its Ohio-based Orthopaedic Surgical Products Operation

Apr 03, 2008

Voluntarily Recalls and Temporarily Suspends Production of Certain Patient Care Product Lines

WARSAW, Ind., April 3, 2008, 2008 /PRNewswire-FirstCall via COMTEX News Network/ -- Zimmer Holdings, Inc. (NYSE: ZMH; SWX: ZMH) announced today that it has taken a number of actions to improve quality systems at its Dover, Ohio facility, which manufactures Zimmer Orthopaedic Surgical Products (OSP).

The Company recently conducted a review of quality systems at the Dover, Ohio OSP facility and initiated voluntary product recalls of certain OSP products manufactured at the Dover facility that the Company has determined do not meet internal quality standards. In addition, the Company has voluntarily and temporarily suspended production and sales of certain OSP products manufactured at the Dover facility. The suspension will permit the Company to focus the OSP organization on the needed improvements to manufacturing and conduct enhanced quality training for employees.

The Company has notified the U.S. Food and Drug Administration (FDA), distributors and end-users of the recalls. These recalls do not affect the Company's core hip and knee implants business.

The OSP division produces a variety of patient care items used to support orthopaedic surgery, including disposables used in blood management, surgical wound site debridement and cement accessories. In 2007, Zimmer reported revenues from its OSP and Other product category of \$234 million, less than half of which were generated by products affected by the recalls and suspension. These actions are expected to adversely impact 2008 OSP revenues by \$70 to \$80 million. Additional detail on the expected impact will be provided during the Company's first quarter investor conference call on April 24, 2008.

About Zimmer

Founded in 1927 and headquartered in Warsaw, Indiana, Zimmer is a worldwide leader in designing, developing, manufacturing and marketing orthopaedic reconstructive, spinal and trauma devices, dental implants, and related orthopaedic surgical products. Zimmer has operations in more than 25 countries around the world and sells products in more than 100 countries. Zimmer's 2007 sales were approximately \$3.9 billion. The Company is supported by the efforts of more than 7,500 employees worldwide.

Visit Zimmer on the worldwide web at 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," "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 compliance with the Deferred Prosecution Agreement through March 2009 and the Corporate Integrity Agreement through 2012, the impact of our enhanced healthcare compliance global initiatives and business practices on our relationships with customers and consultants, our market share and our overall financial performance, the success of our quality initiatives, the outcome of the informal investigation by the U.S. Securities and Exchange Commission into Foreign Corrupt Practices Act matters announced in October 2007, 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 obtain and maintain adequate intellectual property protection, our ability to successfully integrate acquired businesses, our ability to form and implement alliances, international growth, our compliance with governmental laws and regulations affecting our U.S. and international businesses including regulations of the U.S. Food and Drug Administration and foreign government regulators and tax obligations and risks, product liability and intellectual property litigation losses, reimbursement levels from third-party payors, cost-containment efforts of healthcare purchasing organizations, our ability to retain the independent agents and distributors who market our products, 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.

SOURCE Zimmer Holdings, Inc.

<http://www.zimmer.com/>

Copyright (C) 2008 PR Newswire. All rights reserved

News Provided by COMTEX