



More than 70 pipeline projects and 2,800 SKU's launched in 2003

17% of 2003 sales from new products*

317 Zimmer patent applications filed or granted in 2003

LEADING R&D INVESTMENT AND CAPABILITIES

Both Zimmer and Centerpulse led the orthopaedics industry with the highest research and development investment as a percent of sales. Our pro forma R&D investment in 2003 was \$149 million. A key area of R&D is orthobiologics, including a program with ISTO Technologies focused on a unique cartilage regeneration technology, and an exclusive, multi-year worldwide agreement with Tissue Science Laboratories plc to distribute a biological patch to provide reinforcement in the repair of shoulder rotator cuff injuries. As a result of our combined new product development initiatives, more than 50 new product projects have been or are expected to be launched in the fourth quarter of 2003 and the first two quarters of 2004.

*Zimmer stand alone sales from "new products" defined as sales of products introduced in the preceding three year period.