



ZIMMER HOLDINGS, INC.

Wilmington, Delaware, U.S.A.

(The public tender offer will be launched by Zimmer Holdings, Inc. or a wholly owned subsidiary, in which case Zimmer Holdings, Inc. would fully guarantee all such subsidiary's obligations)

PRE-ANNOUNCEMENT OF PUBLIC TENDER OFFER FOR ALL THE PUBLICLY HELD REGISTERED SHARES OF CENTERPULSE AG, ZURICH, WITH A NOMINAL VALUE OF CHF 30 EACH

The Board of Directors of Zimmer Holdings, Inc. ("Zimmer") today announced that it will simultaneously commence related public tender offers in accordance with art. 22 et seq. of the Federal Act on Stock Exchanges and Securities Trading for (i) all of the publicly held registered shares of Centerpulse AG ("Centerpulse"), nominal value CHF 30 per share ("Centerpulse Shares"), including the Centerpulse Shares represented by American Depositary Shares ("Centerpulse ADSs") (the "Centerpulse Offer"), and (ii) all of the publicly held bearer shares in InCentive Capital AG ("InCentive"), a listed investment company which holds, or beneficially holds, approximately 18.9% of the share capital of Centerpulse, with a nominal value of CHF 20 per share ("InCentive Shares") (the "InCentive Offer" and, together with the Centerpulse Offer, the "Offers").

It is anticipated that the Offers will be launched on or about June 17, 2003. The Offers will be effected by Zimmer or a wholly owned subsidiary of Zimmer, in which case Zimmer would fully guarantee all of the obligations of such subsidiary. Based on the closing price of Zimmer common stock, par value USD 0.01 per share ("Zimmer Common Stock"), on the New York Stock Exchange on May 19, 2003 and the noon buying rate for U.S. dollars on such date of USD 1.00 = CHF 1.2945, the Offers value each Centerpulse Share at CHF 350.00.

The Offer

CENTERPULSE OFFER

Consideration

The Centerpulse Offer will offer to exchange:

- In respect of each Centerpulse Share that is validly tendered and not properly withdrawn:
3.68 shares of Zimmer Common Stock; and
CHF 120.00 in cash, without interest; and
- In respect of each Centerpulse ADS that is validly tendered and not properly withdrawn:
0.368 shares of Zimmer Common Stock; and
CHF 12.00 in cash, without interest.

The offer price paid in the Centerpulse Offer will be adjusted for any dilutive effects in respect of the Centerpulse Shares or the Zimmer Common Stock (save for shares issued for management options issued under Centerpulse or Zimmer benefit plans and disclosed in Centerpulse's or Zimmer's financial statements for the fiscal year ended December 31, 2002), including dividend payments, capital increases below market value, or the issuance of options (save for management options issued under Centerpulse or Zimmer benefit plans in the normal course consistent with past practice), warrants, convertible securities and other rights of any kind to acquire Centerpulse Shares or shares of Zimmer Common Stock, as the case may be, or any other transaction having a dilutive effect on the value of the Centerpulse Offer.

INCENTIVE OFFER

The InCentive Offer will offer to exchange an amount of Zimmer Common Stock and cash which will mirror the total number of shares of Zimmer Common Stock and the amount of cash that would be payable under the Centerpulse Offer for Centerpulse Shares held by InCentive (the "Centerpulse Holding"); plus or minus the cash attributable to the adjusted net asset value (positive or negative) of InCentive (the "Adjusted NAV") excluding the Centerpulse Holding. If the Adjusted NAV is negative, then the cash amount attributable to the Centerpulse Holding shall be reduced, pro tanto, and if after such reduction there is still a negative balance, the number of shares of Zimmer Common Stock to be issued shall be reduced by a corresponding amount.

Mix and Match

Tendering holders of Centerpulse Shares and Centerpulse ADSs under the Centerpulse Offer and tendering holders of InCentive Shares under the InCentive Offer (together the "Accepting Shareholders") may elect to take fewer shares of Zimmer Common Stock or more shares of Zimmer Common

Stock than their basic entitlement under the Offers, but elections under both Offers (taken together) to take more shares of Zimmer Common Stock (together, the "Excess Shares") will only be satisfied to the extent that elections have been made under both Offers (taken together) by Accepting Shareholders to take fewer shares of Zimmer Common Stock (together, referred to as the "Available Shares"). The Available Shares will be allocated to the applicants for Excess Shares in proportion to the number of Excess Shares applied for. If the total number of Available Shares exceeds the total number of Excess Shares applied for, the Available Shares shall be limited to an amount equal to the Excess Shares. Once the share allocations have been determined, the cash element of the consideration will be reduced or increased (as the case may be) for each Accepting Shareholder who has been allocated an increased or reduced number of shares of Zimmer Common Stock. All calculations shall be made by reference to the number of acceptances and elections as of the last day of the additional acceptance period.

Offer Period

The offer prospectus for the Centerpulse Offer is likely to be published on or about June 17, 2003. It is anticipated that the Offers will remain open for 40 trading days (the "Offer Period"). Zimmer reserves the right to extend the period of the Offers beyond 40 trading days with the prior approval of the Swiss Takeover Board.

Conditions

The Centerpulse Offer is expected to be subject to the following conditions:

- a) Zimmer having received the requisite vote of its stockholders to approve the issuance of the shares of Zimmer Common Stock pursuant to the Offers.
- b) The shares of Zimmer Common Stock issuable upon the consummation of the Offers having been approved for listing on the New York Stock Exchange.
- c) All competent EU, U.S. and other foreign authorities having approved and/or granted clearance of the acquisition of Centerpulse without a party being required to meet any condition or requirement giving rise to: (i) costs and/or loss of earnings before interest, tax and amortization ("EBITA") in excess of CHF 23 million in the aggregate; or (ii) a decrease in consolidated turnover of CHF 75 million in the aggregate of Zimmer, after giving effect to the Offers. In addition, no other orders or directions by any court or other authority prohibiting the consummation of the Offers shall have been issued.
- d) The Registration Statement on Form S-4 to be filed by Zimmer with the Securities and Exchange Commission ("SEC") in connection with the Centerpulse Offer (the "Registration Statement") having become effective in accordance with the provisions of the U.S. Securities Act of 1933, as amended; no stop order suspending the effectiveness of the Registration Statement having been issued by the SEC and no proceedings for that purpose having been initiated by the SEC and not concluded or withdrawn.
- e) Zimmer having received valid acceptances for at least 66-2/3% of the total number of the Centerpulse Shares outstanding (including Centerpulse shares represented by ADSs and, provided the InCentive Offer has become unconditional, Centerpulse Shares held by InCentive) on a fully diluted basis at the expiry of the (possibly extended) Offer Period.
- f) Either (i) an extraordinary shareholders meeting to be called by the Centerpulse board of directors having resolved that contingent upon the Centerpulse Offer having been declared unconditional, all incumbent Centerpulse directors be removed and be replaced by the individuals proposed by Zimmer, or (ii) all Centerpulse directors having agreed to resign as of the date the Centerpulse Offer is declared unconditional (provided that at least one director shall not have resigned and shall have entered into a mandate agreement prior to the Centerpulse Offer having been declared unconditional) or having entered into a mandate agreement with Zimmer for the period from the date the Centerpulse Offer has been declared unconditional until the shareholders meeting of Centerpulse at which the persons proposed by Zimmer shall have been elected as members of the Centerpulse board of directors.

For purposes of this condition (f), the term "declared unconditional" shall mean that Zimmer shall have announced that all conditions to the Centerpulse Offer are satisfied or have been waived.
- g) Centerpulse, until the end of the (possibly extended) Offer Period, not having:
 - (i) become subject to a mandated recall for a product, the consolidated turnover of which product family exceeded CHF 75 million in Centerpulse's consolidated prior year results and such recall having resulted, or, according to the opinion of an investment bank or accounting firm of international repute to be appointed by Zimmer (the "Expert"), likely to result, in costs and/or loss of EBITA (after insurance payable to Centerpulse) in excess of CHF 23 million;
 - (ii) suffered a disablement of its manufacturing facilities in Winterthur, Switzerland or Austin, Texas, U.S.A., having resulted, or, according to the opinion of the Expert, likely to result, in

costs and/or loss of EBITA (after insurance payable to Centerpulse) in excess of CHF 23 million; or

- (iii) become subject to losses, costs or liabilities, whether contingent or otherwise, in respect of any claim against Centerpulse or any of its subsidiaries relating to, or arising out of, defects in Centerpulse's or its subsidiaries' Inter-Op shell and tibial base plates, that resulted, or according to the opinion of the Expert, are likely to result, in losses, costs or liabilities that exceed the amount reserved against such losses, costs or liabilities on Centerpulse's consolidated balance sheet for the fiscal year ended December 31, 2002 by more than CHF 43 million in the aggregate.
- h) Zimmer having obtained a ruling by the competent tax authorities to the effect that the spin-off of Centerpulse from Sulzer AG on July 10, 2001 would not be subject to Swiss corporate income tax as a result of the consummation of the Offers.

Zimmer reserves the right to waive one or more of the conditions set forth above, either in whole or in part, and to withdraw the Centerpulse Offer if one or more of the above conditions is not met. In addition, Zimmer reserves the right to undertake due diligence review pursuant to Article 48 of the Takeover Ordinance of the Takeover Board of July 21, 1997, as amended (the "TOO"), and, in connection therewith, reserves all rights available to Zimmer under Article 9 paragraph 2 of the TOO.

The Smith & Nephew Offers for Centerpulse and InCentive

The Offers will take place concurrently with an offer by Smith & Nephew plc ("Smith & Nephew") to combine its business with that of Centerpulse. On April 25, 2003, Smith & Nephew Group plc ("Smith & Nephew Group") commenced a public tender offer for all of the outstanding Centerpulse Shares and Centerpulse ADSs pursuant to which Smith & Nephew Group has offered 25.15 new Smith & Nephew Group shares and CHF 73.42 in cash in respect of each Centerpulse Share (or 0.2515 new Smith & Nephew Group ADSs and the U.S. dollar equivalent of CHF 7.34 in cash for each Centerpulse ADS). Based on the closing prices of Smith & Nephew ordinary shares on the London Stock Exchange on March 19, 2003 (the date immediately prior to the announcement of the Smith & Nephew Group offer) and May 19, 2003 and the exchange rates on such dates of CHF 2.1756 = GBP 1.00 and CHF 2.1168 = GBP 1.00, respectively, the Smith & Nephew offer values each Centerpulse Share at CHF 282.37 and CHF 293.02, respectively. In parallel, Smith & Nephew Group commenced a public tender offer for all outstanding shares of InCentive whereby Smith & Nephew Group has offered that fraction of consideration equal to the corresponding economic value that one InCentive Share represents relative to one Centerpulse Share.

Sales Restrictions

The Centerpulse Offer will not be made, directly or indirectly, into, and will not be capable of acceptance from within, any jurisdiction where such Centerpulse Offer or the acceptance thereof would be considered illegal or would otherwise violate any applicable law or regulation or where Zimmer may be obliged to change the terms of the Centerpulse Offer, to file an additional application with any authorities or other institutions or to undertake additional measures in relation to the Centerpulse Offer. Documents in relation to the Centerpulse Offer must not be distributed in such jurisdictions or sent to such jurisdictions. Persons in such jurisdictions must not use these documents for marketing purposes for sales of shares of Zimmer Common Stock. Zimmer does not assume any responsibility for any violation by any person of any of these restrictions.

The Centerpulse Offer will only be made through a prospectus which is part of a registration statement on Form S-4 to be filed with the SEC and a Swiss offer prospectus. Zimmer and its directors, officers and other members of its management and employees also may be soliciting proxies from Zimmer stockholders in connection with the Centerpulse Offer. Security holders are urged to carefully review the registration statement on Form S-4 and the prospectus included therein, the Schedule TO, the proxy statement and other documents relating to the Centerpulse Offer that will be filed by Zimmer with the SEC because these documents will contain important information relating to the Centerpulse Offer. Security holders may obtain a free copy of these documents after they have been filed with the SEC, and other documents filed by Zimmer and Centerpulse with the SEC, at the SEC's Web site at www.sec.gov. Once the registration statement on Form S-4, as well as any documents incorporated by reference therein, the Schedule TO and the proxy statement are filed with the SEC, security holders will also be able to inspect and copy these documents at the public reference room maintained by the SEC at 450 Fifth Street, NW, Washington, D.C. 20549. Please call the SEC at 1-800-SEC-0330 for further information about the public reference room. YOU SHOULD READ THE PROSPECTUS CAREFULLY BEFORE MAKING A DECISION CONCERNING THE OFFER.

Information

Detailed information on the Centerpulse Offer is expected to be published on or about June 17, 2003 in the same media. The terms of the Smith & Nephew offer permit holders of Centerpulse Shares and Centerpulse ADSs who have tendered their Centerpulse Shares or Centerpulse ADSs into the

Smith & Nephew offer to withdraw their Centerpulse Shares or Centerpulse ADSs from the Smith & Nephew offer and tender into the Centerpulse Offer.

Language

In case of any inconsistencies between the German, French and English text of this Pre-Announcement, the German text shall prevail.

Zurich, May 20, 2003

Credit Suisse First Boston

	Swiss Security Number	ISIN	Bloomberg	Telekurs Ticker Symbol
Centerpulse Shares	654 485	CH 000 654485 9	CEPN SW	CEPN
Centerpulse ADSs	1 429 052	US 152 005104 6	CEP US	CEP
Zimmer Common Stock	1 262 932	US 989 56P102 1	ZMH US	ZMH
InCentive Shares	286 089	CH 000 286089 5	INC SW	INC

