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December 14, 2011

Office of the Secretary
Public Company Accounting Oversight Board
1666 K Street, N.W.
Washington, D.C. 20006-2803

Re: PCAOB Rulemaking Docket Matter No. 37: Concept Release on Auditor Independence and Audit Firm Rotation

Dear Board Members:

The Audit Committee of the Board of Directors of Zimmer Holdings, Inc. ("Zimmer" or the "Company") appreciates the opportunity to comment on the PCAOB's Concept Release on Auditor Independence and Audit Firm Rotation ("Concept Release").

Zimmer is a large accelerated filer that designs, develops, manufactures and markets orthopaedic reconstructive, spinal and trauma devices, dental implants and related surgical products. The Company has subsidiaries in approximately 30 countries.

We oppose the concept of mandatory audit firm rotation. We will address our opposition under the following categories: a) Cost and Efficiency, b) Existing Oversight, and c) Audit Quality.

Cost and Efficiency

We believe everyone in the accounting profession, from auditors to regulators to public filers, would acknowledge that a new audit firm has a learning curve to become familiar with a company's systems, processes, business activities, organizational structure, etc. This comes during a time when investors and regulators are demanding more information, filing deadlines have been shortened from those a decade ago, and more technical requirements, such as XBRL, are being placed on public filers. Considerable time and effort is needed to gain an understanding of any complex global enterprise. Due to this steep learning curve, mandatory audit firm rotation would introduce unnecessary costs and inefficiencies to public filers and thus their stockholders.

Additionally, as a multinational company we engage the same audit firm to conduct the audit for our publicly filed financial statements and any local statutory requirements in the countries where we operate. This is generally more efficient than using an alternative firm since the independent auditor is able to apply knowledge gained in the audit of the consolidated financial statements to the Company's local statutory audits. Therefore, the disruption and costs of switching audit firms extends beyond the boundaries of the main audit.

Existing Oversight

The Sarbanes-Oxley Act of 2002 (the "Act") contained a number of reforms which we believe have enhanced oversight of the audit process, including the creation of the PCAOB, mandatory five year partner rotation, independent audit committee responsibility for the appointment and compensation of the audit firm, and prohibition of certain non-audit services, among other things.

We believe the standards created by the Act are sufficient to provide assurance over auditor independence, objectivity and professional skepticism. It has been our experience that partner rotation has brought a fresh set of eyes to our audit that has challenged the status quo of our accounting practices. On an annual basis our auditors have taken observations from PCAOB inspections at their firm and implemented them on our engagement. We recognize the PCAOB continues to find deficiencies in audits, but as the Concept Release recognizes:

> The root causes of audit failures are complex and vary in nature and continue to be explored by the [PCAOB]. The [PCAOB] plans to deepen its understanding of root causes in upcoming inspection seasons. At the same time, although the [PCAOB] attempts to determine root causes, it is not always possible to do so.

We believe further study to determine the root causes of audit failures is necessary before requiring mandatory audit firm rotation, which we believe would be costly and inefficient.

Audit Quality

As the Concept Release discusses, academic studies do not provide any conclusions as to whether audit firm rotation provides any benefit or detriment to audit quality. Many studies show no correlation between audit failure and auditor tenure and various studies show increased audit failure for companies that had recently changed auditors. With the absence of any evidence as to improved audit quality, we question why mandatory audit firm rotation would be necessary.

Also, for large multinational companies such as Zimmer, there are only four audit firms capable of providing the Company audit services. We believe that each of these firms have adequate resources and industry knowledge in the largest metropolitan cities across the world, but in some of the smaller metropolitan cities it is our experience that not all four of the firms are as equal. Generally, in those smaller cities the audit firms have deployed the resources necessary to support their large, long-tenured clients. Thus, the capabilities of audit practices to take on new clients in new industries may vary. We believe there is the potential for audit quality to suffer and costs to increase because there may not be adequate resources in the right locations to respond to the needs of a potentially more divergent and dynamic base of clients.

We also engage the three large accounting firms who are not our audit firm to perform non-audit services on a regular basis. Therefore, we do not think it is a valid argument that mandatory audit firm rotation would prevent audit firms from trying to maintain amicable relationships with their clients. As soon as their audit rotation is completed it is likely they will be competing for non-audit services. Additionally, there is also knowledge established between us and the firms providing non-audit services, and if we are required to switch to another service provider there may be additional costs associated with the non-audit services.

Ultimately, there are thousands of individual auditors that must apply independence, objectivity and professional skepticism on a daily basis as they perform an audit. No matter which audit firm is performing an audit, it is ultimately up to the individuals on that audit to ensure the quality of the audit. Accordingly, we do not believe that mandatory audit firm rotation will change the judgments of those individuals. We believe the PCAOB should continue to inspect the audit firms to ensure these individuals are given the proper training, resources and oversight to perform quality audits. To the extent there is a systemic problem with the audit firm, we believe it is the responsibility of the PCAOB to address this with them. To the extent there is a performance problem with an individual, it is the responsibility of the audit firm to address this with the individual. We do not believe that mandatory audit firm rotation is the solution for audit quality that is dependent upon individual auditors to perform their job with independence, objectivity and professional skepticism.

In conclusion, for the reasons stated above, we urge you NOT to make audit firm rotation mandatory. We appreciate the opportunity to comment on the Concept Release and welcome any questions you may have on our views.

Sincerely,

/s/ Robert A. Hagemann

Robert A. Hagemann
Chairman of the Audit Committee

/s/ Betsy J. Bernard

Betsy J. Bernard
Member of the Audit Committee

/s/ Larry C. Glasscock

Larry C. Glasscock
Member of the Audit Committee

/s/ Arthur J. Higgins

Arthur J. Higgins
Member of the Audit Committee

/s/ John L. McGoldrick

John L. McGoldrick, Chairman
Member of the Audit Committee