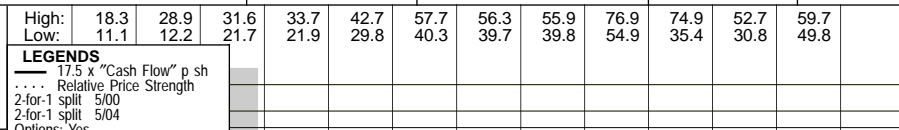


STRYKER CORP. NYSE-SYK

RECENT PRICE **55.91** P/E RATIO **17.2** (Trailing: 19.5; Median: 30.0) RELATIVE P/E RATIO **1.05** DIV'D YLD **1.1%** VALUE LINE

TIMELINESS 2 Lowered 4/30/10
SAFETY 1 Raised 8/28/09
TECHNICAL 3 Lowered 3/5/10
BETA .80 (1.00 = Market)



Target Price Range	2013	2014	2015
160			
120			
100			
80			
60			
40			
20			
15			

2013-15 PROJECTIONS

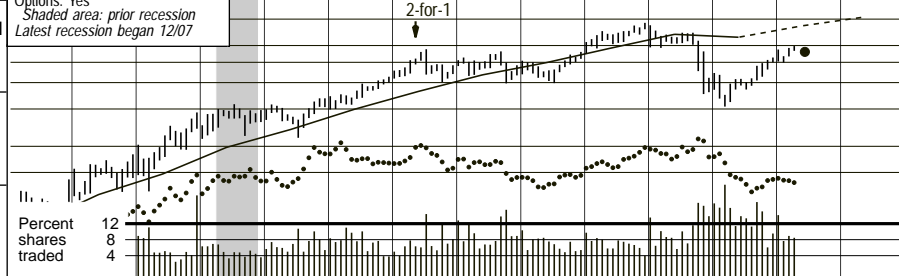
	Price	Gain	Ann'l Total Return
High	130	(+135%)	24%
Low	105	(+90%)	18%

Insider Decisions

	J	A	S	O	N	D	J	F	M
to Buy	0	2	0	0	0	0	0	0	0
Options	0	0	0	0	1	0	2	3	3
to Sell	1	2	0	0	0	0	0	0	0

Institutional Decisions

	2Q2009	3Q2009	4Q2009
to Buy	358	339	302
to Sell	347	363	398
Hlds(000)	245582	241787	239878



% TOT. RETURN 4/10

	THIS STOCK	VL ARITH. INDEX
1 yr.	49.2	63.0
3 yr.	-9.8	9.5
5 yr.	21.5	57.4

1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	© VALUE LINE PUB., INC.	13-15
1.76	2.24	2.35	2.55	2.86	5.41	5.84	6.61	7.60	9.08	10.59	12.02	13.25	14.60	16.95	16.90	18.50	20.20	Sales per sh	25.95
.24	.30	.33	.41	.49	.67	.84	1.13	1.37	1.71	2.08	2.49	2.85	3.33	3.87	3.75	4.25	4.70	"Cash Flow" per sh	6.50
.19	.23	.26	.32	.38	.41	.55	.67	.88	1.12	1.43	1.75	2.02	2.40	2.78	2.77	3.25	3.65	Earnings per sh ^A	5.35
.01	.01	.03	.03	.03	.03	.04	.04	.05	.06	.09	.11	.22	.33	.40	.25	.60	.64	Div'ds Decl'd per sh ^B	.84
.08	.09	.07	.09	.13	.20	.21	.41	.35	.36	.47	.67	.53	.46	.39	.33	.40	.40	Cap'l Spending per sh	.40
.93	1.17	1.37	1.59	1.69	1.73	2.18	2.68	3.78	5.40	6.84	8.03	10.27	13.09	13.64	16.57	18.75	21.30	Book Value per sh ^C	32.75
386.95	388.43	387.15	384.24	386.16	388.80	391.80	393.40	396.20	399.40	402.50	405.20	407.90	411.00	396.40	397.90	394.50	391.50	Common Shs Outst'g ^D	391.00
21.2	24.6	25.0	27.5	26.7	35.5	37.1	40.3	33.0	32.4	33.0	27.7	23.6	27.9	21.8	15.1	Bold figures are Value Line estimates		Avg Ann'l P/E Ratio	22.0
1.39	1.65	1.57	1.59	1.39	2.02	2.41	2.07	1.80	1.85	1.74	1.47	1.27	1.48	1.31	1.01			Relative P/E Ratio	1.45
.3%	.2%	.4%	.3%	.3%	.2%	.2%	.1%	.2%	.2%	.2%	.2%	.5%	.5%	.7%	.6%			Avg Ann'l Div'd Yield	.7%

CAPITAL STRUCTURE as of 3/31/10
 Total Debt \$1023.8 mill. Due in 5 Yrs \$27.6 mill.
 LT Debt \$996.2 mill. Interest \$35 mill.
 (12% of Capital)
Leases, Uncapitalized Annual rentals \$49.0 mill.
Pension Assets-12/09 \$177.3 mill. Oblig. \$262.4 mill.
Pfd Stock None
Common Stock 396,698,933 shares as of 3/31/10
MARKET CAP: \$22.2 billion (Large Cap)

2289.4	2602.3	3011.6	3625.3	4262.3	4871.5	5405.6	6000.5	6718.2	6723.1	7300	7900	Sales (\$mill)	10150
23.7%	24.7%	24.9%	24.9%	25.6%	26.8%	27.0%	28.2%	28.9%	31.0%	30.5%	31.0%	Operating Margin	33.5%
109.4	172.0	186.1	229.7	250.9	289.9	331.8	366.6	387.6	385.3	395	406	Depreciation (\$mill)	425
221.0	271.8	357.1	453.5	586.5	719.1	830.4	1000.7	1147.8	1107.4	1290	1440	Net Profit (\$mill)	2110
34.0%	33.0%	31.8%	30.0%	30.0%	29.4%	28.2%	28.0%	27.4%	31.8%	28.0%	28.0%	Income Tax Rate	28.0%
9.7%	10.4%	11.9%	12.5%	13.8%	14.8%	15.4%	16.7%	17.1%	16.5%	17.7%	18.2%	Net Profit Margin	20.8%
379.6	459.7	443.8	547.1	1029.1	1621.3	2182.8	3571.9	3517.2	4410.2	6455	7650	Working Cap'l (\$mill)	12910
876.5	720.9	491.0	18.8	.7	184.2	--	--	--	--	995	995	Long-Term Debt (\$mill)	995
854.9	1056.2	1498.2	2154.8	2752.0	3251.8	4191.0	5378.5	5406.7	6595.1	7400	8340	Shr. Equity (\$mill)	12795
15.2%	17.0%	19.0%	21.4%	21.4%	20.9%	19.8%	18.6%	21.2%	16.8%	15.5%	15.5%	Return on Total Cap'l	15.5%
25.9%	25.7%	23.8%	21.0%	21.3%	22.1%	19.8%	18.6%	21.2%	16.8%	17.5%	17.5%	Return on Shr. Equity	16.5%
24.4%	24.2%	22.5%	19.9%	20.3%	21.0%	18.7%	16.9%	18.7%	13.8%	14.0%	14.5%	Retained to Com Eq	14.0%
6%	6%	6%	5%	5%	5%	5%	9%	12%	18%	18%	17%	All Div'ds to Net Prof	16%

BUSINESS: Stryker Corp. develops, manufactures, and markets Orthopaedic Implants (61% of '09 sales), and MedSurg Equipment (39%). Orthopaedic products include hip, knee, trauma, spinal, and craniomaxillofacial implants. MedSurg includes powered instruments, endoscopic systems, other operating room devices, specialty stretchers, and maternity beds. Physical Therapy Services business sold '07. About 36% of '09 sales were foreign. R&D: 5.0% of '09 sales. '09 depr. rate: 19.6%. Has 18,582 employees. Off. and dir. (incl. Stryker family trust) own 30.7% of stock (3/10 proxy), 3 others aggregate 15.7%. Chairman, President, & CEO: Stephen MacMillan, Inc.: MI. Addr.: 2825 Airview Blvd, Kalamazoo, MI 49002. Telephone: 269-385-2600. Internet: www.stryker.com.

CURRENT POSITION 2008 2009 3/31/10 (\$MILL.)

Cash Assets	2195.6	2954.8	3937.6
Receivables	1129.5	1147.1	1120.6
Inventory (LIFO)	952.7	943.0	961.0
Other	701.5	806.3	856.2
Current Assets	4979.3	5851.2	6875.4
Accts Payable	274.3	200.2	230.7
Debt Due	20.5	18.0	27.6
Other	1167.3	1222.8	1146.5
Current Liab.	1462.1	1441.0	1404.8

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '07-'09 to '13-'15

of change (per sh)	10 Yrs.	5 Yrs.	to '13-'15
Sales	16.0%	12.0%	8.0%
"Cash Flow"	21.5%	16.0%	10.0%
Earnings	22.0%	18.5%	12.5%
Dividends	27.0%	37.5%	19.5%
Book Value	24.0%	22.0%	14.5%

There are some obstacle to profit growth. Compliance initiatives will remain a challenge despite a resolution with the FDA for issues at several of Stryker's locations. On a similar note, regulatory changes at the FDA have lengthened approval time for new medical products and, along with the impact of a potential federal excise tax for medical device manufacturers, profits will likely be impeded. Finally, remnants of the recent economic distress will probably weigh on spending decisions here and abroad, as sales in Europe have been particularly slow to resume their prior levels.

QUARTERLY SALES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	1426	1464	1453	1658	6001
2008	1634	1713	1653	1718	6718
2009	1601	1634	1653	1834	6722
2010	1799	1815	1835	1851	7300
2011	1905	1955	1990	2050	7900

Stryker's sales and earnings appear to be back on a growth path. During the recent recession, this medical device manufacturer's results stagnated owing to the weak hospital capital spending environment and the delay of elective procedures. However, now that a recovery is under way, the top and bottom lines will likely resume an upward trajectory. Equipment expenditures at healthcare facilities will probably progress at a slow pace, but commercial rollout of several new devices within the hip and cervical lineup ought to help offset this softness. We expect the top line to advance more than 8%, to \$7.3 billion, while the bottom line should add about 17%, to \$3.25 a share.

Those investors with a long-term bent should be well-rewarded. Stryker's active pursuit of expansion measures should help to bolster the top and bottom lines down the road. A healthy R&D budget and external growth initiatives should augment the product portfolio and enhance the sales stream. The short-term outlook is bright, too. This timely equity is ranked to outpace the broader markets in the year ahead. All in all, this selection ought to please most investors.

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2007	.58	.61	.55	.66	2.40
2008	.70	.73	.66	.69	2.78
2009	.71	.73	.57	.76	2.77
2010	.80	.81	.81	.83	3.25
2011	.87	.90	.92	.96	3.65

The company will likely become an aggressive acquirer to generate growth. After a successful \$1 billion debt offering of five- and 10-year notes, Stryker's cash balance has swelled to an impressive \$4 billion. Acquisitions are the preferred use of cash, specifically a transaction that extends the portfolio or fills in offering gaps. In that same vein, funding for R&D will receive a boost, with total spending to increase about 10% this year.

Company's Financial Strength A++
Stock's Price Stability 85
Price Growth Persistence 80
Earnings Predictability 100

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.11	--	--	--	.11
2007	.22	--	--	--	.22
2008	.33	--	--	--	.33
2009	.40	--	--	.10	.50
2010	.15	.15			

Company's Financial Strength A++
Stock's Price Stability 85
Price Growth Persistence 80
Earnings Predictability 100

There are some obstacle to profit growth. Compliance initiatives will remain a challenge despite a resolution with the FDA for issues at several of Stryker's locations. On a similar note, regulatory changes at the FDA have lengthened approval time for new medical products and, along with the impact of a potential federal excise tax for medical device manufacturers, profits will likely be impeded. Finally, remnants of the recent economic distress will probably weigh on spending decisions here and abroad, as sales in Europe have been particularly slow to resume their prior levels.

QUARTERLY DIVIDENDS PAID ^B

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.11	--	--	--	.11
2007	.22	--	--	--	.22
2008	.33	--	--	--	.33
2009	.40	--	--	.10	.50
2010	.15	.15			

Company's Financial Strength A++
Stock's Price Stability 85
Price Growth Persistence 80
Earnings Predictability 100

There are some obstacle to profit growth. Compliance initiatives will remain a challenge despite a resolution with the FDA for issues at several of Stryker's locations. On a similar note, regulatory changes at the FDA have lengthened approval time for new medical products and, along with the impact of a potential federal excise tax for medical device manufacturers, profits will likely be impeded. Finally, remnants of the recent economic distress will probably weigh on spending decisions here and abroad, as sales in Europe have been particularly slow to resume their prior levels.

(A) Based on average shares through '96; diluted thereafter. Excludes extraordinary gains of \$0.03 in 1996. Excludes nonrecurring losses (gains): '98, \$0.57; '99, \$0.71; '01, \$0.01; '02, \$0.03; '04, \$0.29; '05, \$0.11; '06, 13c; '07, 4c; '08, 5c. Next earnings rpt. due mid-July. (B) Dividends paid quarterly beginning with December 2009 payment. (C) Includes intangibles. At 12/31/09: \$1591.5 million, \$4.00/share. (D) In millions, adjusted for stock splits.

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