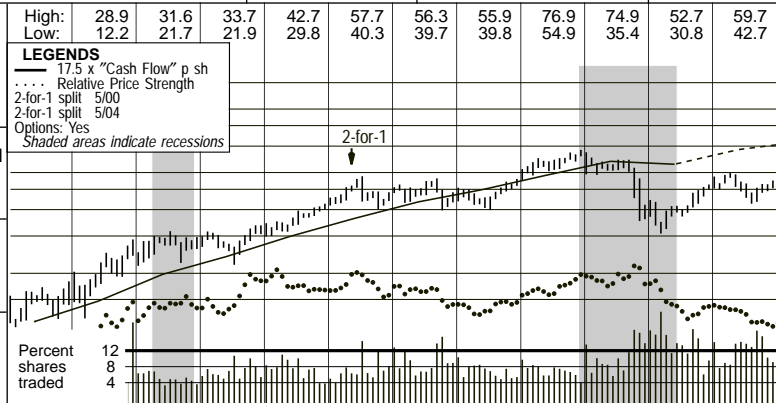


STRYKER CORP. NYSE-SYK

RECENT PRICE **60.26** P/E RATIO **16.6** (Trailing: 17.8; Median: 30.0) RELATIVE P/E RATIO **1.00** DIV'D YLD **1.2%** **VALUE LINE**

TIMELINESS 3 Lowered 9/3/10
SAFETY 1 Raised 8/28/09
TECHNICAL 2 Raised 2/25/11
BETA .80 (1.00 = Market)



High	Low	2014	2015	2016
28.9	12.2			
31.6	21.7			
33.7	21.9			
42.7	29.8			
57.7	40.3			
56.3	39.7			
55.9	39.8			
76.9	54.9			
74.9	35.4			
52.7	30.8			
59.7	42.7			
60.6	53.5			

2014-16 PROJECTIONS
 Price Gain Ann'l Total
 High 140 (+130%) 24%
 Low 115 (+90%) 18%

Insider Decisions
 A M J J A S O N D
 to Buy 0 0 0 0 0 0 0 1 0
 Options 1 0 0 0 0 0 0 0 0
 to Sell 1 0 0 0 0 0 0 0 0

Institutional Decisions
 10/2010 20/2010 30/2010
 to Buy 298 262 287
 to Sell 412 430 369
 Hld's(000) 240569 242286 256035

1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	© VALUE LINE PUB. LLC	14-16
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	18.45	20.60	21.75	Sales per sh	28.05
.30	.33	.41	.49	.67	.84	1.13	1.37	1.71	2.08	2.49	2.85	3.33	3.87	3.75	4.40	4.80	5.25	"Cash Flow" per sh	7.00
.23	.26	.32	.38	.41	.55	.67	.88	1.12	1.43	1.75	2.02	2.40	2.78	2.77	3.33	3.70	4.10	Earnings per sh A	5.70
.01	.03	.03	.03	.03	.04	.04	.05	.06	.09	.11	.22	.33	.40	.25	.60	.72	.76	Div'ds Decl'd per sh B	.88
.09	.07	.09	.13	.20	.21	.41	.35	.36	.47	.67	.53	.46	.39	.33	.45	.50	.50	Cap'l Spending per sh	.55
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	18.05	19.70	19.10	Book Value per sh C	29.60
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	397.00	396.00	395.00	Common Shs Outst'g D	392.00
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	15.7			Avg Ann'l P/E Ratio	22.0
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	.99			Relative P/E Ratio	1.45
2%	4%	3%	3%	2%	2%	1%	2%	2%	2%	2%	5%	5%	7%	6%	1.1%			Avg Ann'l Div'd Yield	.7%

CAPITAL STRUCTURE as of 9/30/10
 Total Debt \$1015.5 mill. Due in 5 Yrs \$19.1 mill.
 LT Debt \$996.4 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 397,120,134 shares as of 10/31/10
 MARKET CAP: \$23.9 billion (Large Cap)

2602.3	3011.6	3625.3	4262.3	4871.5	5405.6	6000.5	6718.2	6723.1	7320.0	8150	8600	Sales (\$mill)	11000
24.7%	24.9%	24.9%	25.6%	26.8%	27.0%	28.2%	28.9%	31.0%	31.0%	31.5%	32.0%	Operating Margin	33.0%
172.0	186.1	229.7	250.9	289.9	331.8	366.6	387.6	385.3	410.2	425	445	Depreciation (\$mill)	485
271.8	357.1	453.5	586.5	719.1	830.4	1000.7	1147.8	1107.4	1330.3	1475	1625	Net Profit (\$mill)	2250
33.0%	31.8%	30.5%	30.0%	29.4%	28.2%	28.0%	27.4%	31.8%	28.0%	28.0%	28.0%	Income Tax Rate	28.0%
10.4%	11.9%	12.5%	13.8%	14.8%	15.4%	16.7%	17.1%	16.5%	18.2%	18.1%	18.9%	Net Profit Margin	20.5%
459.7	443.8	547.1	1029.1	1621.3	2182.8	3571.9	3517.2	4410.2	5991.1	6700	7600	Working Cap'l (\$mill)	11500
720.9	491.0	18.8	.7	184.2	--	--	--	--	996.5	1000	1000	Long-Term Debt (\$mill)	1000
1056.2	1498.2	2154.8	2752.0	3251.8	4191.0	5378.5	5406.7	6595.1	7173.6	7800	8550	Shr. Equity (\$mill)	11600
17.0%	19.0%	21.4%	21.4%	20.9%	19.8%	18.6%	21.2%	16.8%	17.0%	18.0%	18.0%	Return on Total Cap'l	18.5%
25.7%	23.8%	21.0%	21.3%	22.1%	19.8%	18.6%	21.2%	16.8%	18.5%	19.0%	19.0%	Return on Shr. Equity	19.5%
24.2%	22.5%	19.9%	20.3%	21.0%	18.7%	16.9%	18.7%	13.8%	15.5%	16.5%	16.5%	Retained to Com Eq	17.0%
6%	6%	5%	5%	5%	5%	5%	9%	12%	18%	18%	18%	All Div'ds to Net Prof	17%

Cal-endar	2008	2009	9/30/10
Cash Assets	2195.6	2954.8	4514.6
Receivables	1129.5	1147.1	1158.6
Inventory (LIFO)	952.7	943.0	1035.3
Other	701.5	806.3	835.2
Current Assets	4979.3	5851.2	7543.7
Accts Payable	274.3	200.2	247.8
Debt Due	20.5	18.0	19.1
Other	1167.3	1222.8	1139.1
Current Liab.	1462.1	1441.0	1406.0

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.

Cal-endar	2008	2009	2010	2011	2012
1634	1713	1653	1718	6718	
1602	1634	1653	1834	6723	
1799	1758	1768	1995	7320	
1985	1975	1990	2200	8150	
2100	2050	2050	2400	8600	

Stryker finished 2010 with better-than-expected results. The medical device manufacturing company posted a 9% year-over-year increase in sales during the fourth quarter, while share net jumped 22%. Revenues at the Orthopaedic Implants group rose nearly 5%, thanks to higher sales of hip, knee, and trauma implant systems. Business at the MedSurg Equipment group was even stronger, with sales rising 15%, driven by higher shipments of surgical equipment and surgical navigation systems, endoscopic and communications systems, and patient handling and emergency medical equipment. The company also benefited from recent acquisitions, most notably from Ascent. Margins during the period widened because of the sales boost, along with management's focus on operational efficiency improvements.

chases of Accent and the neurovascular division from Boston Scientific. As the economy begins to slowly improve, we think that many hospitals will be more willing to spend on the latest technologies in order to differentiate themselves from their competitors, and this should boost demand for some of the company's key products.

Cal-endar	2008	2009	2010	2011	2012
.70	.73	.66	.69	2.78	
.71	.73	.57	.76	2.77	
.80	.80	.80	.93	3.33	
.90	.90	.90	1.00	3.70	
1.00	1.00	1.00	1.10	4.10	

We look for solid top- and bottom-line gains this year. We think both the Orthopaedic Implants and MedSurg Equipment segments will post good results, reflecting underlying organic growth and market-share gains. We also expect Stryker to benefit from the recent pur-

Stryker maintains a strong balance sheet. It has roughly \$4.5 billion of cash on hand, which should allow it to pursue additional acquisitions in the coming quarters. The cash has also permitted the company to increase its dividend to \$0.18 per share, while allowing it to continue to buy back stock.

Cal-endar	2007	2008	2009	2010	2011
.22	--	--	--	.22	
.33	--	--	--	.33	
.40	--	--	--	.40	
.15	.15	.15	.15	.60	
.18	--	--	--	--	

These high-quality shares are ranked to track the broader market averages over the coming six to 12 months. An improving economy should boost demand for elective surgery and increase sales of the company's core medical products, and this ought to allow for solid profit gains during this time frame. Over the 3- to 5-year period, these shares offer wide appreciation potential at the current quotation.

(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, 13¢; '07, 4¢; '08, 5¢. Next earnings rpt. due late April. (B) Dividends paid early January, April, July, and October. (C) Includes intangibles. At

Company's Financial Strength	A++
Stock's Price Stability	90
Price Growth Persistence	70
Earnings Predictability	100

To subscribe call 1-800-833-0046.

Stryker (SYK)

Date: 5/17/2011

Stock Prices

Current Price = \$63.28

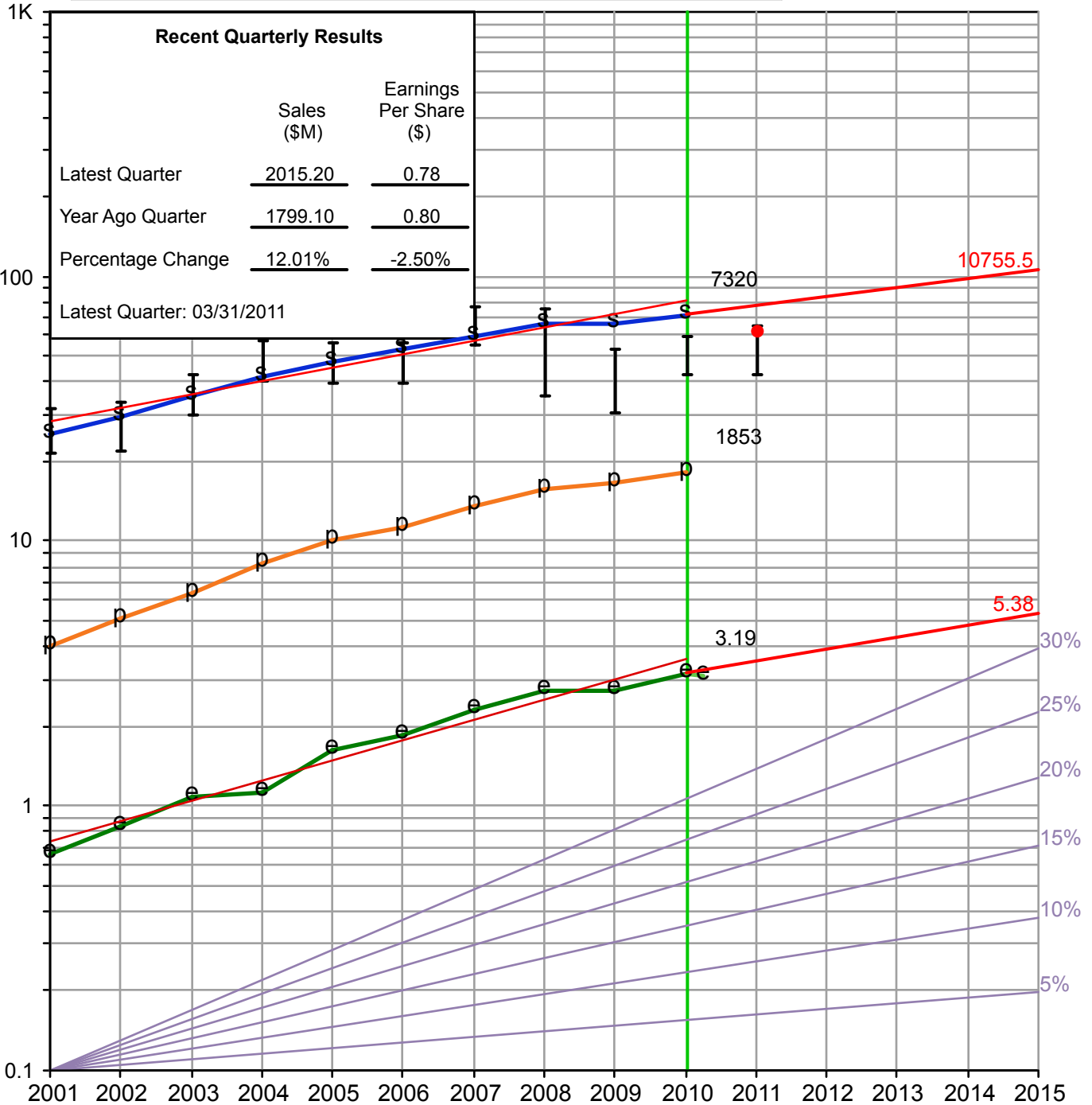
52 Week Range = \$42.74 to \$65.21

Exchange: NYSE

Industry:

Share Data

Authorized	Issued	Debt (\$M): 1024.80
Preferred:		% Total Cap.: 12.09%
Common: 394.200	390.000	
Preferred Stock Dividend:		Dilution: 4.200



(1) Historical Sales Growth = 12.30%
 (2) Estimated Sales Growth = 8.00%

(3) Historical EPS Growth = 19.39%
 (4) Estimated EPS Growth = 11.00%

ACE 5-year EPS Growth Estimate: 10.4%

2 EVALUATING MANAGEMENT

Stryker (SYK) - 05/13/2011

	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	5 Yr Ave	Trend
% Pretax Profit on Sales (Net Before Tax/Sales)	15.6	17.4	18.0	19.7	20.9	21.4	23.2	24.0	25.2	25.3	23.8	UP
% Earned on Invested Capital (EPS/Book Val)	24.9	22.5	20.6	16.7	20.4	18.4	18.1	20.8	16.7	17.4	18.3	FLAT
% Debt to Equity	68.3	32.9	0.9	0.0	5.7	0.0	0.0	0.0	0.0	13.7	2.7	UP

3 PRICE & EARNINGS HISTORY

Current Price: 63.28

52 Week High= 65.21

52 Week Low= 42.74

Year	High Price	Low Price	EPS	PE High	PE Low	Dividend	Payout	High Yield
2006	55.9	39.8	1.89	29.6	21.0	0.220	11.6	0.6
2007	76.9	54.9	2.37	32.4	23.2	0.330	13.9	0.6
2008	74.9	35.4	2.78	27.0	12.7	0.400	14.4	1.1
2009	52.7	30.8	2.77	19.0	11.1	0.150	5.4	0.5
2010	59.7	42.7	3.19	18.7	13.4	0.630	19.7	1.5
TOTAL	320.1	203.6						
AVE	64.0	40.7		25.3	16.3		13.0	
Average Price Earnings Ratio: 20.8					Current Price Earnings Ratio: 20.0			

Current PE Ratio Based on Current EPS [\$3.17]

Projected PE Ratio of [18.0] Based on Projected EPS [\$3.5]

4 EVALUATING BUY, HOLD, & SELL

A. CALCULATED HIGH PRICE - 5 YEARS

Ave High PE 20.0 X Estimated High Earnings/Share 5.38 Projected High Price = \$ 107.6

B. CALCULATED LOW PRICE - 5 YEARS

(a) Avg. Low P/E 0.0 X Estimated Low Earnings/Share 2.83 = \$ 0.00

(b) Avg. Low Price of Last 5 Years = \$40.7

(e) Price Variant = \$41.5

(c) Recent Market Low = \$30.8

(d) Dividend Price Support = \$42.0

Selected Estimated Low Price \$ 42.0

C. BUY/HOLD/SELL ZONES

Selected High of \$107.60 minus Selected Low of \$42.00 = \$65.60 Range. 1/4 of Range = \$16.400

Lower 1/3 = \$42.0 To \$58.40 (Buy)

25%/50%/25% Zoning

Center 1/3 = \$58.40 To \$91.20 (Hold)

Upper 1/3 = \$91.20 To \$107.6 (Sell)

D. UPSIDE RISK ANALYSIS

High Price 107.6 - Current Price 63.28 = **2.1** to 1

Current price of \$63.28 is in the HOLD zone

Current Price 63.28 - Low Price 42.0

PEG Ratio = 1.82 Relative Value = 96.2%

Proj PEG = 1.63 Proj Rel Value = 86.5%

5 YIELD ANALYSIS

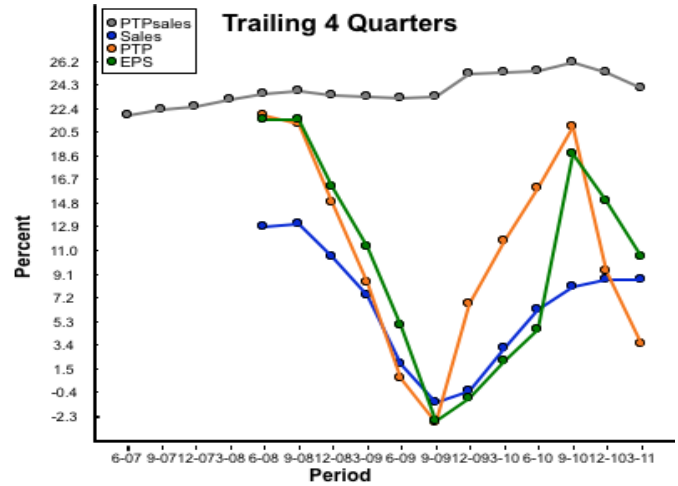
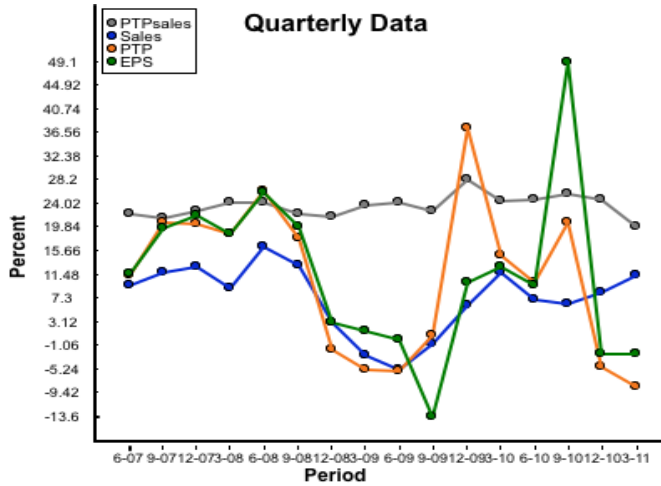
Current Yield = (100 * Current Dividend)÷Current Price = 100 * 0.72 / 63.3 = 1.1%

Ave. 5 Yr. Yield = (Ave. EPS(5Yr) * Ave. Payout)÷Current Price = (4.36 * 13.0)/63.3 = 0.9%

Price Appreciation = ((100*Projected High Price÷Current Price)-100)÷5 = 14.0 %

Average Total Return = Price Appreciation+Ave. 5 Yr. Yield = 14.9 %

	P.A.R	Tot. Ret.
Average Yield	1.3%	0.7%
Annual Appreciation	<u>-3.2%</u>	<u>11.2%</u>
Compounded Annual Return	<u>-1.9%</u>	<u>11.9%</u>



Quarterly Performance

Trailing Twelve Months

Quarterly Performance

Period	SALES		PRETAX PROFIT			EARNINGS	
	\$ mil	% Chg	\$ mil	% Sales	% Chg	\$	% Chg
3-11	2015.2	12.0%	411.8	20.4%	-7.6%	0.78	-2.5%
12-10	1995.1	8.8%	502.8	25.2%	-3.9%	0.74	-2.6%
9-10	1767.6	6.9%	461.9	26.1%	21.1%	0.85	49.1%
6-10	1758.2	7.6%	442.6	25.2%	10.6%	0.80	9.6%
3-10	1799.1	12.4%	445.8	24.8%	15.4%	0.80	12.7%
12-09	1834.2	6.8%	523.1	28.5%	37.6%	0.76	10.1%
9-09	1653.3	0.0%	381.4	23.1%	1.4%	0.57	-13.6%
6-09	1634.3	-4.6%	400.0	24.5%	-4.8%	0.73	0.0%
3-09	1601.3	-2.0%	386.4	24.1%	-4.4%	0.71	1.4%
12-08	1718.2	3.6%	380.1	22.1%	-1.0%	0.69	3.0%
9-08	1653.0	13.7%	376.0	22.7%	18.3%	0.66	20.0%
6-08	1712.6	17.0%	420.1	24.5%	26.6%	0.73	25.9%
3-08	1634.4	9.7%	404.0	24.7%	19.1%	0.70	18.6%
12-07	1658.1	13.4%	384.0	23.2%	20.9%	0.67	21.8%
9-07	1453.2	12.3%	317.9	21.9%	21.2%	0.55	19.6%
6-07	1463.7	10.2%	331.8	22.7%	11.9%	0.58	11.5%

Trailing Twelve Months

Period	SALES	PRETAX PROFIT		EPS	PERCENT CHANGE		
	\$ mil	\$ mil	% Sales	\$	Sales	PTP	EPS
3-11	7536.1	1819.1	24.1%	3.17	8.9%	3.9%	10.8%
12-10	7320.0	1853.1	25.3%	3.19	8.9%	9.6%	15.2%
9-10	7159.1	1873.4	26.2%	3.21	8.4%	21.0%	18.9%
6-10	7044.8	1792.9	25.4%	2.93	6.6%	16.2%	5.0%
3-10	6920.9	1750.3	25.3%	2.86	3.5%	12.0%	2.5%
12-09	6723.1	1690.9	25.2%	2.77	0.1%	7.0%	-0.4%
9-09	6607.1	1547.9	23.4%	2.70	-0.8%	-2.3%	-2.2%
6-09	6606.8	1542.5	23.3%	2.79	2.3%	1.1%	5.3%
3-09	6685.1	1562.6	23.4%	2.79	7.7%	8.7%	11.6%
12-08	6718.2	1580.2	23.5%	2.78	10.8%	15.1%	16.3%
9-08	6658.1	1584.1	23.8%	2.76	13.4%	21.3%	21.6%
6-08	6458.3	1526.0	23.6%	2.65	13.1%	22.0%	21.6%
3-08	6209.4	1437.7	23.2%	2.50			
12-07	6064.3	1372.8	22.6%	2.39			
9-07	5869.0	1306.3	22.3%	2.27			
6-07	5709.8	1250.8	21.9%	2.18			