

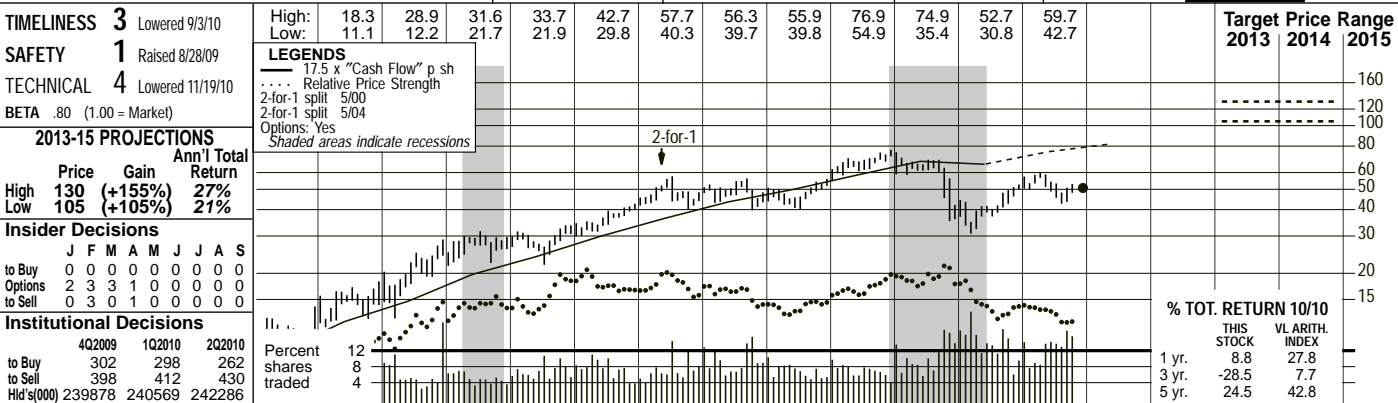
Fundamental Forecasts

Enter a ticker or a company name and click on Go.

Company	Ticker	Industry	Quality	PAR
Stryker	SYK	Medical Supplies (Orthopedic)	76.0	13.2%
Current Price (12/13)			\$53.08	
CAPS Rating (Rate this stock on CAPS)			★★★★★	
Expected Income Statement				
Current Sales			7,200.0	
Sales Growth Forecast			8.0%	
Net Profit Margin			18.0%	
Projected Shares Outstanding			390.7	
EPS - Five Year Forecast			\$4.87	
Average P/E Ratio			19.6	
Projected Average Price			\$95.68	
Price Appreciation (Annualized)			12.5%	
Annual Dividend Yield			0.7%	
Projected Annual Return			13.2%	
Quality				
Financial Strength			99	24.8
EPS Stability			97	24.2
Industry Sales Growth Rate			11.4%	8.8
Industry Net Profit Margin			12.3%	18.3
Calculated Quality Rating			76.0	
Fool CAPS				
Total Players				
1389 Outperforms			30 Underperforms	
<hr/>				
All-Stars				
492 Outperforms (98.8%)			6 Underperforms	
<hr/>				
Fundamental Data Updated: 11/26/2010				

STRYKER CORP. NYSE-SYK

RECENT PRICE **50.70** P/E RATIO **14.6** (Trailing: 15.8; Median: 30.0) RELATIVE P/E RATIO **0.96** DIV'D YLD **1.2%** VALUE LINE



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	18.10	19.70	Sales per sh	26.05
.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	4.30	4.70	"Cash Flow" per sh	6.45
.19	.23	.26	.32	.38	.41	.55	.67	.88	1.12	1.43	1.75	2.02	2.40	2.78	2.77	3.30	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	1.73	2.18	2.18	2.68	3.78	5.40	6.84	8.03	10.27	13.09	13.64	16.57	19.00	21.45	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	397.50	393.50	Common Shs Outst'g ^D	390.00
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	15.1	15.1	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	1.01	1.01	Relative P/E Ratio	1.45
.3%	.2%	.4%	.3%	.3%	.2%	.2%	.1%	.2%	.2%	.2%	.2%	.5%	.5%	.7%	.6%	.6%	.6%	Avg Ann'l Div'd Yield	.7%

CAPITAL STRUCTURE as of 9/30/10				© VALUE LINE PUB., INC.																13-15
Total Debt \$1015.5 mill. Due in 5 Yrs \$19.1 mill.				2289.4	2602.3	3011.6	3625.3	4262.3	4871.5	5405.6	6000.5	6718.2	6723.1	7200	7750	Sales (\$mill)	10150			
LT Debt \$996.4 mill. Interest \$35 mill.				23.7%	24.7%	24.9%	24.9%	25.6%	26.8%	27.0%	28.2%	28.9%	31.0%	31.5%	31.5%	Operating Margin	33.0%			
(12% of Capital)				109.4	172.0	186.1	229.7	250.9	289.9	331.8	366.6	387.6	385.3	400	408	Depreciation (\$mill)	425			
Leases, Uncapitalized Annual rentals \$49.0 mill.				221.0	271.8	357.1	453.5	586.5	719.1	830.4	1000.7	1147.8	1107.4	1315	1440	Net Profit (\$mill)	2090			
Pension Assets-12/09 \$177.3 mill. Oblig. \$262.4 mill.				34.0%	33.0%	31.8%	30.0%	30.0%	29.4%	28.2%	28.0%	27.4%	31.8%	28.0%	31.8%	Income Tax Rate	28.0%			
Pfd Stock None				9.7%	10.4%	11.9%	12.5%	13.8%	14.8%	15.4%	16.7%	17.1%	16.5%	18.3%	18.6%	Net Profit Margin	20.6%			
Common Stock 397,120,134 shares as of 10/31/10				379.6	459.7	443.8	547.1	1029.1	1621.3	2182.8	3571.9	3517.2	4410.2	6610	7755	Working Cap'l (\$mill)	12905			
MARKET CAP: \$20.1 billion (Large Cap)				876.5	720.9	491.0	18.8	.7	184.2	--	--	--	--	995	995	Long-Term Debt (\$mill)	995			
CURRENT POSITION 2008 2009 9/30/10 (\$MILL.)				854.9	1056.2	1498.2	2154.8	2752.0	3251.8	4191.0	5378.5	5406.7	6595.1	7550	8440	Shr. Equity (\$mill)	12775			
Cash Assets				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%			
Receivables				25.9%	25.7%	23.8%	21.0%	21.3%	22.1%	19.8%	18.6%	21.2%	16.8%	17.5%	17.0%	Return on Shr. Equity	16.5%			
Inventory (LIFO)				24.4%	24.2%	22.5%	19.9%	20.3%	21.0%	18.7%	16.9%	18.7%	13.8%	14.5%	14.0%	Retained to Com Eq	14.0%			
Other				6%	6%	6%	5%	5%	5%	5%	5%	9%	12%	18%	18%	18%	All Div'ds to Net Prof	16%		
Current Assets				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.																
Accts Payable				Stryker is actively pursuing acquisitions, once more. The medical device manufacturing giant has signed a definitive agreement to purchase the Neurovascular division of Boston Scientific for \$1.4 billion. The all-cash transaction, with an additional \$100 million pending in potential milestone payments, is expected to close in the fourth quarter. The deal will likely be neutral to slightly accretive to earnings in 2011 and may well add about \$350 million to the top line. Boston Scientific's lineup of neurovascular devices ought to mesh well with Stryker's and widen customer offerings. As per <i>Value Line</i> convention, we will exclude the impact of this transaction in our financial presentation until it has been completed. Also of note, Stryker recently finalized the purchase of privately held Porex Surgical, which will boost head and face reconstructive offerings. And, with SYK sitting on a hearty cash balance, further strategic buys to flesh out portfolio gaps are likely. Stryker ought to post solid overall results this year. Although sales fell short of our estimate in the September quarter, the top line will likely finish the year with a healthy 7% advance, thanks to an improving economy, which, in turn, is boosting elective surgeries. Too, the Capital Equipment division, MedSurg, continues to post sales gains, owing to the loosening of hospital budgets and the inevitable need to update equipment. The bottom line is poised for a sharp recovery, with product mix and expense-reduction measures providing a close-to-20% lift this year. Too, a \$750 million stock-buyback program should lend support, as well. These shares will likely appeal to patient accounts. Although SYK stock has climbed about 10% in price since our August review, the current entry point still offers investors wide appreciation potential over the 3- to 5-year horizon. Furthermore, our 2013-2015 share-net estimates may prove conservative, thanks to several acquisitions coming under the Stryker umbrella in short order. What's more, the company will likely continue to add to its offerings through further business combinations. For now, this selection is ranked as an average performer for year-ahead returns. <i>Mary Beth Wiedenkiller November 26, 2010</i>																
Debt Due																				
Other																				
Current Liab.																				

ANNUAL RATES		Past 10 Yrs	Past 5 Yrs	Est'd '07-'09 to '13-'15
of change (per sh)		16.0%	12.0%	8.5%
Sales		21.5%	16.0%	10.0%
"Cash Flow"		22.0%	18.5%	12.5%
Earnings		27.0%	37.5%	17.0%
Dividends		24.0%	22.0%	14.5%
Book Value				

Cal-endar	QUARTERLY SALES (\$ mill.)				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	1426	1464	1453	1658	6001
2008	1634	1713	1653	1718	6718
2009	1602	1634	1653	1834	6723
2010	1799	1758	1768	1875	7200
2011	1895	1925	1950	1980	7750

Cal-endar	EARNINGS PER SHARE ^A				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2007	.58	.61	.55	.66	2.40
2008	.70	.73	.66	.69	2.78
2009	.71	.73	.57	.76	2.77
2010	.80	.80	.85	.85	3.30
2011	.87	.90	.92	.96	3.65

Cal-endar	QUARTERLY DIVIDENDS PAID ^B				Full Year
	Mar.31	Jun.30	Sep.30	Dec.31	
2006	.11	--	--	--	.11
2007	.22	--	--	--	.22
2008	.33	--	--	--	.33
2009	.40	--	--	.10	.50
2010	.15	.15	.15	.15	.60

(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 January. (B) Dividends paid early January, April, July, and October. (C) Includes intangibles. At 9/30/10: \$1604.5 million, \$4.04/share. (D) In millions, adjusted for stock splits.

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Company's Financial Strength		A++
Stock's Price Stability		90
Price Growth Persistence		75
Earnings Predictability		100

STRYKER CORP (SYK)

Date: 12/13/2010

Stock Prices

Current Price = \$53.08

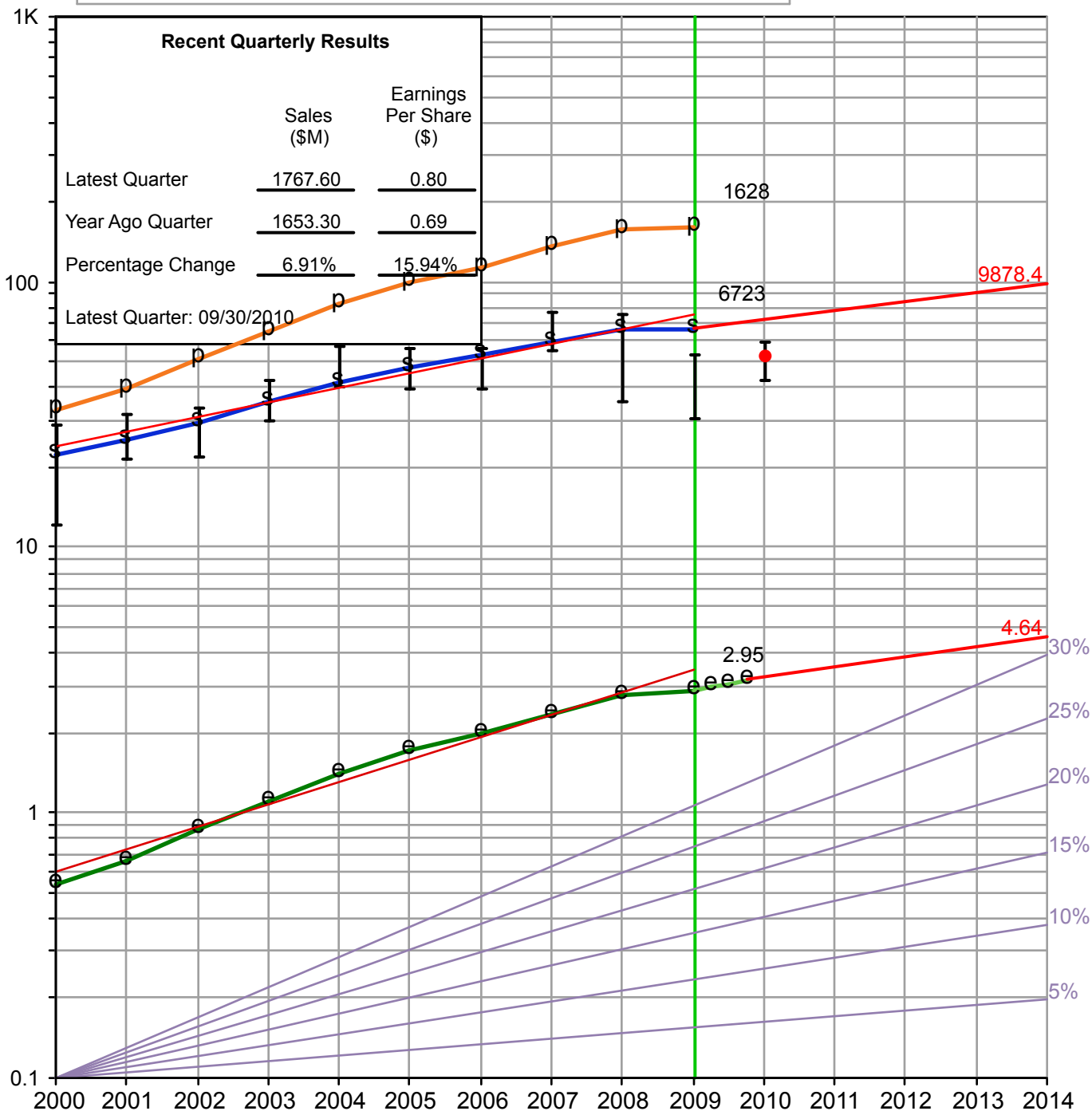
52 Week Range = \$42.74 to \$59.72

Exchange: NYSE

Industry:

Share Data

Authorized	Issued	Debt (\$M): 1015.50
Preferred:	0.000	% Total Cap.: 12.20%
Common: 398.100	397.000	
Preferred Stock Dividend:	Dilution: 1.100	



(1) Historical Sales Growth = 13.65%
 (2) Estimated Sales Growth = 8.00%

(3) Historical EPS Growth = 21.54%
 (4) Estimated EPS Growth = 9.0%

ACE 5-year EPS Growth Estimate: 9.2%

2 EVALUATING MANAGEMENT

STRYKER CORP (SYK) - 12/10/2010

	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	5 Yr Ave	Trend
% Pretax Profit on Sales (Net Before Tax/Sales)	14.6	15.6	17.4	18.2	19.7	20.9	21.4	23.2	24.0	24.2	22.7	UP
% Earned on Invested Capital (EPS/Book Val)	25.2	24.9	23.3	20.8	20.9	21.8	19.6	18.3	20.7	17.8	19.6	DOWN
% Debt to Equity	102.6	68.1	32.8	0.9	0.0	5.7	0.0	0.0	0.0	0.0	1.1	DOWN

3 PRICE & EARNINGS HISTORY

Current Price: 53.08

52 Week High= 59.72

52 Week Low= 42.74

Year	High Price	Low Price	EPS	PE High	PE Low	Dividend	Payout	High Yield
2005	56.3	39.7	1.75	32.2	22.7	0.110	6.3	0.3
2006	55.9	39.8	2.02	27.7	19.7	0.220	10.9	0.6
2007	76.9	54.9	2.40	32.0	22.9	0.330	13.8	0.6
2008	74.9	35.4	2.83	26.5	12.5	0.400	14.1	1.1
2009	52.7	30.8	2.95	17.9	10.4	0.250	8.5	0.8
TOTAL	316.7	200.6						
AVE	63.3	40.1		27.3	17.6		10.7	
Average Price Earnings Ratio: 22.5					Current Price Earnings Ratio: 16.5			

Current PE Ratio Based on Current EPS [\$3.22]

Projected PE Ratio of [15.1] Based on Projected EPS [\$3.5]

4 EVALUATING BUY, HOLD, & SELL

A. CALCULATED HIGH PRICE - 5 YEARS

Ave High PE 22.0 X Estimated High Earnings/Share 4.64 Projected High Price = \$ 102.1

B. CALCULATED LOW PRICE - 5 YEARS

(a) Avg. Low P/E 17.6 X Estimated Low Earnings/Share 2.95 = \$ 51.92

(b) Avg. Low Price of Last 5 Years = \$40.1 (e) Price Variant = \$37.8

(c) Recent Market Low = \$30.8

(d) Dividend Price Support = \$22.7

Selected Estimated Low Price \$ 37.8

C. BUY/HOLD/SELL ZONES

Selected High of \$102.10 minus Selected Low of \$37.80 = \$64.30 Range. 1/4 of Range = \$16.075

Lower 1/3 = \$37.8 To \$53.88 (Buy)

25%/50%/25% Zoning

Center 1/3 = \$53.88 To \$86.03 (Hold)

Upper 1/3 = \$86.03 To \$102.1 (Sell)

D. UPSIDE RISK ANALYSIS

High Price 102.1 - Current Price 53.08 = **3.2** to 1

Current price of \$53.08 is in the BUY zone

Current Price 53.08 - Low Price 37.8

PEG Ratio = 1.83 Relative Value = 73.3%

Proj PEG = 1.68 Proj Rel Value = 67.2%

5 YIELD ANALYSIS

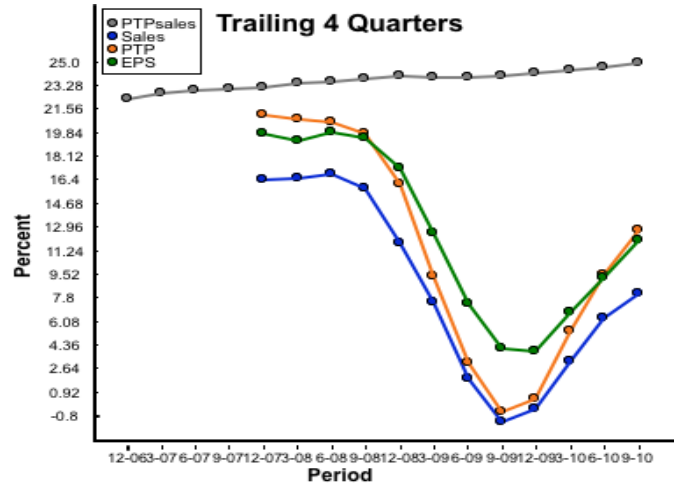
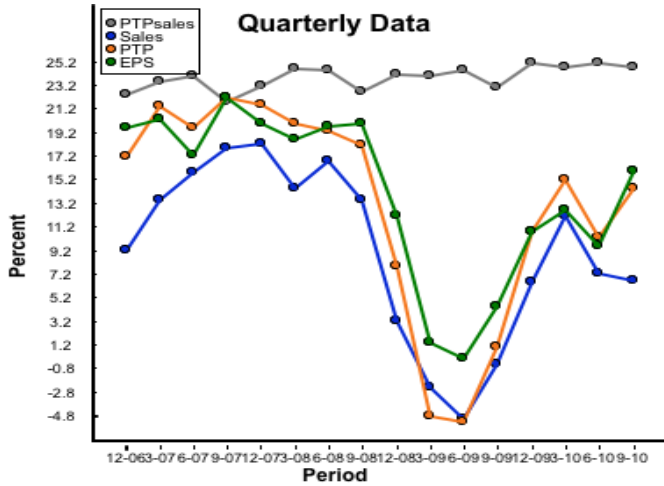
Current Yield = (100 * Current Dividend) ÷ Current Price = 100 * 0.60 / 53.1 = 1.1%

Ave. 5 Yr. Yield = (Ave. EPS(5Yr) * Ave. Payout) ÷ Current Price = (3.82 * 10.7) / 53.1 = 0.8%

Price Appreciation = ((100 * Projected High Price ÷ Current Price) - 100) ÷ 5 = 18.5 %

Average Total Return = Price Appreciation + Ave. 5 Yr. Yield = 19.3 %

	P.A.R	Tot. Ret.
Average Yield	0.5%	0.5%
Annual Appreciation	<u>11.6%</u>	<u>14.0%</u>
Compounded Annual Return	12.1%	14.5%



Quarterly Performance

Trailing Twelve Months

Quarterly Performance

Period	SALES		PRETAX PROFIT			EARNINGS	
	\$ mil	% Chg	\$ mil	% Sales	% Chg	\$	% Chg
9-10	1767.6	6.9%	437.6	24.8%	14.7%	0.80	15.9%
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%	460.6	25.1%	11.0%	0.82	10.8%
9-09	1653.3	0.0%	381.4	23.1%	1.4%	0.69	4.5%
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%	415.0	24.2%	8.1%	0.74	12.1%
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%	19.5%	0.73	19.7%
3-08	1634.4	14.7%	404.0	24.7%	20.1%	0.70	18.6%
12-07	1658.1	18.4%	384.0	23.2%	21.7%	0.66	20.0%
9-07	1453.2	18.0%	317.9	21.9%	22.2%	0.55	22.2%
6-07	1463.7	16.0%	351.6	24.0%	19.7%	0.61	17.3%
3-07	1425.5	13.7%	336.4	23.6%	21.5%	0.59	20.4%
12-06	1400.4	9.5%	315.6	22.5%	17.3%	0.55	19.6%

Trailing Twelve Months

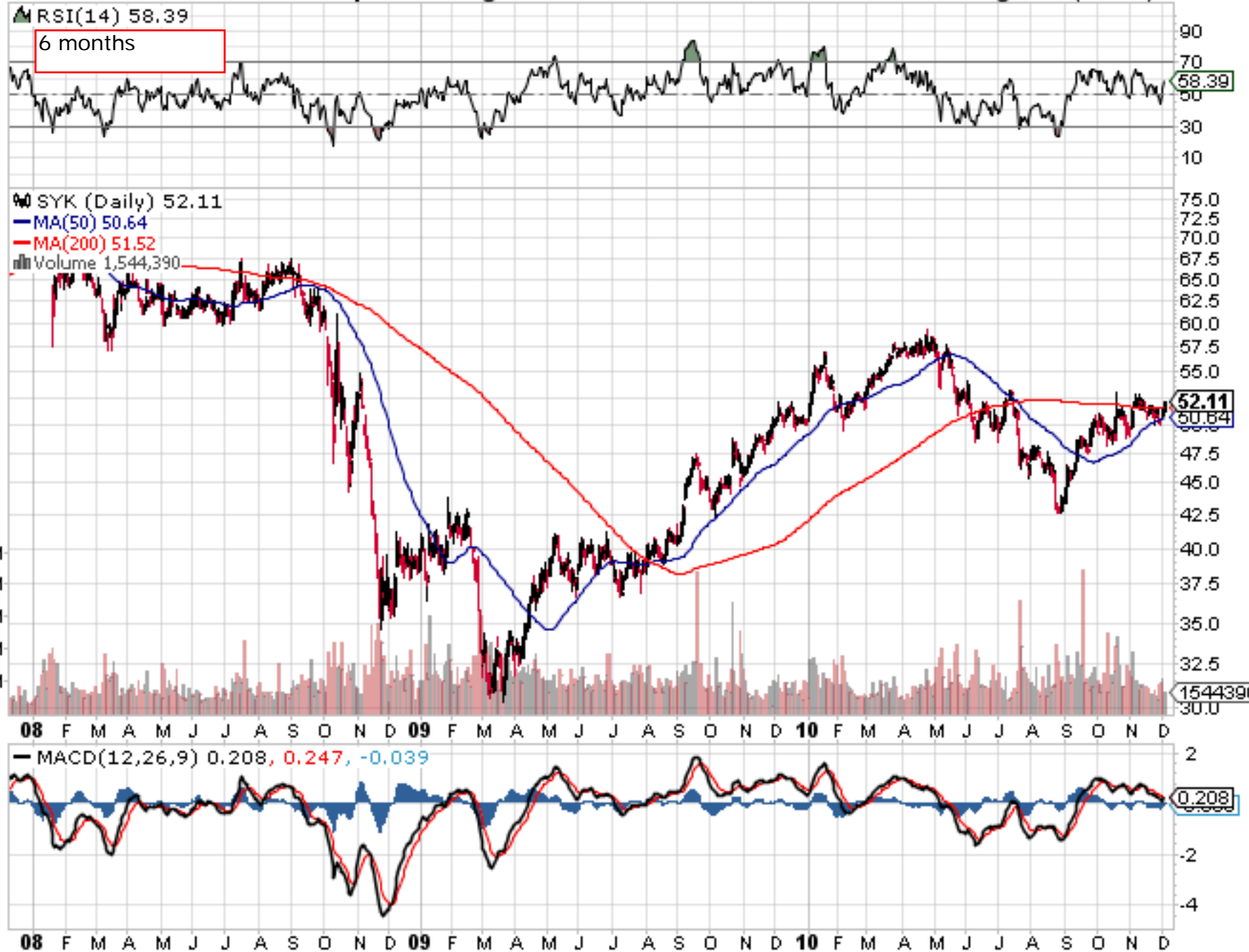
Period	SALES	PRETAX PROFIT		EPS	PERCENT CHANGE		
	\$ mil	\$ mil	% Sales	\$	Sales	PTP	EPS
9-10	7159.1	1786.6	25.0%	3.22	8.4%	12.9%	12.2%
6-10	7044.8	1730.4	24.6%	3.11	6.6%	9.7%	9.5%
3-10	6920.9	1687.8	24.4%	3.04	3.5%	5.7%	7.0%
12-09	6723.1	1628.4	24.2%	2.95	0.1%	0.8%	4.2%
9-09	6607.1	1582.8	24.0%	2.87	-0.8%	-0.1%	4.4%
6-09	6606.8	1577.4	23.9%	2.84	2.3%	3.4%	7.6%
3-09	6685.1	1597.5	23.9%	2.84	7.7%	9.6%	12.7%
12-08	6718.2	1615.1	24.0%	2.83	12.0%	16.2%	17.4%
9-08	6658.1	1584.1	23.8%	2.75	15.9%	19.9%	19.6%
6-08	6458.3	1526.0	23.6%	2.64	17.0%	20.7%	20.0%
3-08	6209.4	1457.5	23.5%	2.52	16.7%	20.9%	19.4%
12-07	6000.5	1389.9	23.2%	2.41	16.6%	21.2%	19.9%
9-07	5742.8	1321.5	23.0%	2.30			
6-07	5520.7	1263.8	22.9%	2.20			
3-07	5318.8	1206.0	22.7%	2.11			
12-06	5147.2	1146.5	22.3%	2.01			

SYK (Stryker Corp.) NYSE

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3-Dec-2010

Open 51.15 High 52.13 Low 51.15 Close 52.11 Volume 1.5M Chg +0.71 (+1.38%) ▲



SYK (Stryker Corp.) NYSE

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13-Dec-2010

Open 53.22 High 53.35 Low 52.85 Close 53.08 Volume 1.7M Chg +0.08 (+0.15%) ▲

▲ RSI(14) 62.73

3 years

SYK (Daily) 53.08

— MA(50) 50.94

— MA(200) 51.51

Volume 1,651,108

12.5M
10.0M
7.5M
5.0M
2.5M

21 28 Jul 12 19 26 Aug 9 16 23 Sep 7 13 20 27 Oct 11 18 25 Nov 8 15 22 Dec 6 13

— MACD(12,26,9) 0.503, 0.337, 0.166

0.503
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