

CONSOLIDATED STATEMENTS OF EARNINGS Stryker Corporation and Subsidiaries

(in millions, except per share amounts)

|   | Years Ended December 31 |                  |                 |
|---|-------------------------|------------------|-----------------|
|   | 2008                    | 2007             | 2006            |
| Net sales   | \$6,718.2               | \$6,000.5        | \$5,147.2       |
| Cost of sales   | 2,131.4                 | 1,865.2          | 1,616.6         |
| Gross profit  | 4,586.8                 | 4,135.3          | 3,530.6         |
| Research, development and engineering expenses          | 367.8                   | 375.3            | 324.6           |
| Selling, general and administrative expenses            | 2,625.1                 | 2,391.5          | 2,047.0         |
| Intangible asset amortization                           | 40.0                    | 41.4             | 42.7            |
| Restructuring charges                                   | 34.9                    | —                | —               |
| Intangible asset impairment                             | —                       | 19.8             | —               |
| Purchased in-process research and development           | —                       | —                | 52.7            |
|   | <u>3,067.8</u>          | <u>2,828.0</u>   | <u>2,467.0</u>  |
| Operating income  | 1,519.0                 | 1,307.3          | 1,063.6         |
| Other income (expense)                                  | 61.2                    | 62.8             | 30.2            |
| Earnings from continuing operations before income taxes | 1,580.2                 | 1,370.1          | 1,093.8         |
| Income taxes  | 432.4                   | 383.4            | 322.4           |
| Net earnings from continuing operations                 | 1,147.8                 | 986.7            | 771.4           |
| Net earnings from discontinued operations               | —                       | 5.0              | 6.3             |
| Net gain on sale of discontinued operations             | —                       | 25.7             | —               |
| Net earnings  | <u>\$1,147.8</u>        | <u>\$1,017.4</u> | <u>\$ 777.7</u> |
| Basic net earnings per share of common stock:           |                         |                  |                 |
| Net earnings from continuing operations                 | \$ 2.81                 | \$ 2.41          | \$ 1.90         |
| Net earnings from discontinued operations               | —                       | \$ 0.01          | \$ 0.02         |
| Net gain on sale of discontinued operations             | —                       | \$ 0.06          | —               |
| Basic net earnings per share of common stock            | \$ 2.81                 | \$ 2.48          | \$ 1.91         |
| Diluted net earnings per share of common stock:         |                         |                  |                 |
| Net earnings from continuing operations                 | \$ 2.78                 | \$ 2.37          | \$ 1.87         |
| Net earnings from discontinued operations               | —                       | \$ 0.01          | \$ 0.02         |
| Net gain on sale of discontinued operations             | —                       | \$ 0.06          | —               |
| Diluted net earnings per share of common stock          | \$ 2.78                 | \$ 2.44          | \$ 1.89         |

See accompanying notes to Consolidated Financial Statements.