



stryker

Annual Review
2016

Back in the saddle again

Sam Hanebeck, an experienced equestrian, **is back in the saddle again** thanks to a delicate arthroscopic procedure using our hip and visualization technology.

Samantha Hanebeck
checks in with her
orthopaedic surgeon,
Richard C. Mather III, M.D.



Sam moved from her native England to North Carolina in 2004, bringing along her horse, Cymro. But in 2012, the pain after riding “progressed to a level that was unbearable,” she says.

Sam struggled with limitations due to the pain, which affected all aspects of her daily life. She had trouble getting up when she was sitting, and she certainly couldn’t ride a horse. “I couldn’t sleep and I wasn’t able to get out of a chair. Day-to-day activities were painful.”

After a series of misdiagnoses, Sam turned to Richard C. Mather III, M.D., an orthopaedic surgeon associated with Duke University Hospital, who specializes in sports medicine and hip preservation procedures. Dr. Mather’s diagnosis: a combined femoroacetabular impingement (FAI), a structural abnormality of the hip joint that alters its biomechanics and often leads to soft tissue damage. This type of hip injury tends to affect younger, active patients.

To repair the damage, he performed arthroscopic surgery, a minimally invasive procedure commonly used to repair knee and shoulder joint injuries. “Hip arthroscopy has evolved rapidly over the last few years,” says Dr. Mather. “We can now treat FAI and other hip problems very successfully.”

Unlike other joints in the human body, the hip joint has a unique anatomy that can make surgical intervention complicated. To properly address these

special requirements, hip specialists like Dr. Mather rely on specialized surgical instruments. This is where Stryker comes in.

With our platform of innovative instruments and implants, surgeons are enabled to efficiently access and restore the mobility of the hip with minimal incisions. “Our innovative platforms in hip arthroscopy, including a full line of implants and tissue resection devices, provide a comprehensive portfolio of products to meet this growing need,” says Matt Moreau, Vice President/General Manager, Sports Medicine.

While Sam’s surgery was lengthy due to the extent of her injury, she felt an immediate improvement. Dr. Mather noted, however, that the pain can return without appropriate physical therapy. Sam worked closely with a physical therapist to rebuild her strength, balance and mobility.

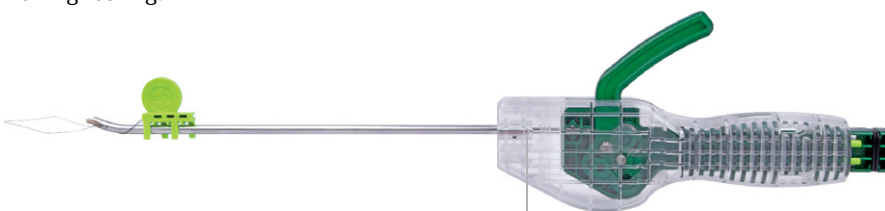
Because of her dedication to the therapy, Sam’s recovery was faster than average. Four months after surgery, she was back to full speed. “I am walking, trotting, and cantering my horse, and I’m totally pain free ... it truly is an amazing feeling.”



Kayla Divine

Marketing and Education Manager
Sports Medicine

“Our Sports Medicine business is **leading innovation in hip arthroscopy.**”



CinchLock Flex

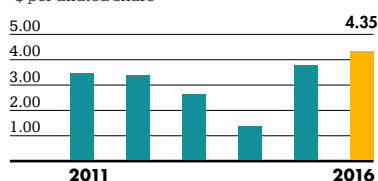
The market’s first flexible, knotless suture anchor. Designed to provide a more anatomic labral repair in both the shoulder and hip, CinchLock Flex utilizes flexible drill technology and a curved instrumentation system.



Financial highlights

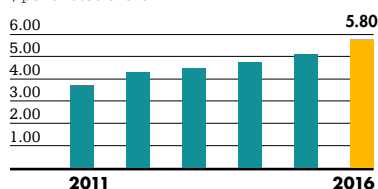
Net earnings

\$ per diluted share



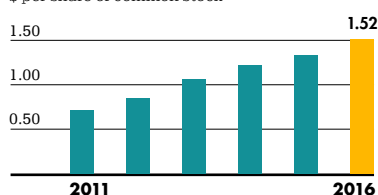
Adjusted net earnings^{1,2}

\$ per diluted share

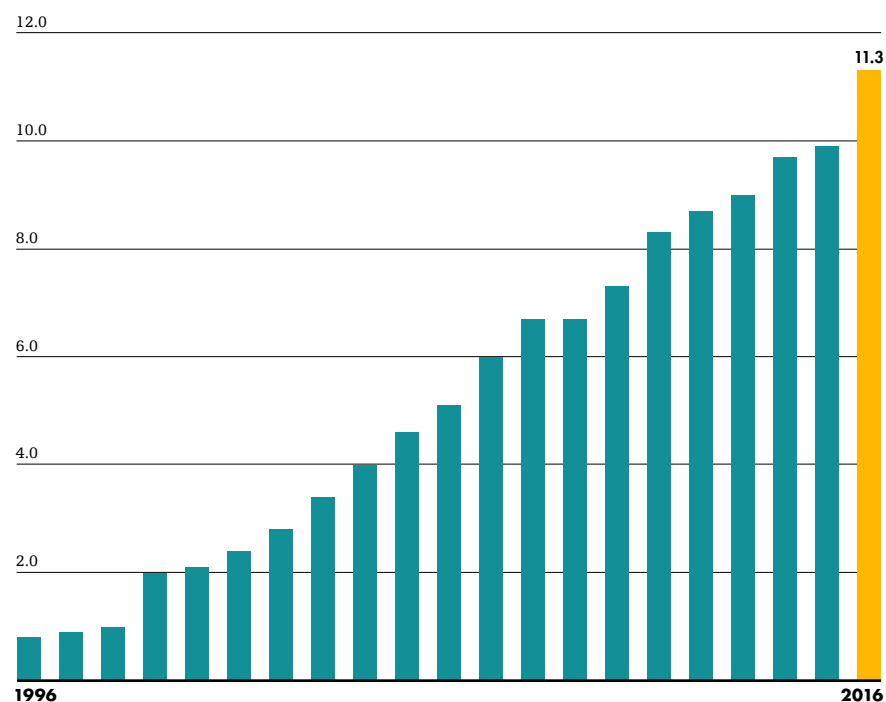


Dividends paid

\$ per share of common stock



History of revenue growth \$ in billions



Financial overview

(in millions, except per share amounts)

	2016	2015	% Change
Net sales	\$ 11,325	\$ 9,946	13.9
Earnings before income taxes	1,921	1,735	10.7
Income taxes	274	296	(7.4)
Net earnings	1,647	1,439	14.5
Adjusted net earnings^{2,3}	2,194	1,949	12.6
Net earnings per diluted share of common stock			
Reported	\$ 4.35	\$ 3.78	15.1
Adjusted ^{1,2}	5.80	5.12	13.3
Dividends paid per share of common stock	\$ 1.52	\$ 1.38	10.1
Cash, cash equivalents and marketable securities	3,384	4,079	(17.0)

1. A non-GAAP financial measure. The most comparable GAAP financial measure is net earnings per diluted share.

2. Refer to page 16 for a reconciliation with GAAP.

3. A non-GAAP financial measure. The most comparable GAAP financial measure is net earnings.

Dear shareholders,

We had another strong year in 2016 and continue to position ourselves for global leadership in Orthopaedics, Medical and Surgical (MedSurg) and Neurotechnology and Spine.

For the first time in our history, we surpassed both \$10 billion and \$11 billion in sales. Our team delivered strong earnings performance as well, through our core strategies of business unit specialization, acquisitions, globalization and cost transformation.

Culture and leadership

Our culture is the bedrock of our success. We are guided by a unifying mission: **Together with our customers, we are driven to make healthcare better**; and our values: **Integrity, Accountability, People and Performance**. We attract people who align with these qualities and who are humble, team-based and performance-oriented. We continue to earn accolades as a preferred employer around the world. We were once again honored by Great Place to Work and FORTUNE Magazine as one of the 100 Best Companies to Work For and also ranked on the Best Workplaces for Manufacturing and Production, Parents and Giving Back lists. Our employee resource groups play an increasingly important role in providing meaningful

input toward improving our policies, such as a new parental leave policy in the United States.

We have an outstanding leadership team guiding our company, pictured with me on page 13, which includes two additions in early 2016—Katy Fink, Chief Human Resource Officer and Glenn Boehnlein, Chief Financial Officer. After more than 20 years of service, Bill Parfet resigned from our Board of Directors, and we thank him for his contributions.

Financial performance

Our reported sales growth of nearly 14 percent includes organic growth of over six percent (which excludes the impact of acquisitions and foreign currency exchange), once again at the high end of the medical technology industry, reflecting our ability to consistently outperform the market. Our reported net earnings per diluted share grew 15 percent, and we delivered strong adjusted net earnings growth of over 12 percent.



For the first time in our history, **we surpassed both \$10 billion and \$11 billion in sales.**

Kevin A. Lobo Chairman and Chief Executive Officer

Mission

**Together with our customers,
we are driven
to make healthcare better.**

Values

Integrity

We do what's right

Accountability

We do what we say

People

We grow talent

Performance

We deliver

In addition, our continued healthy operational cash flow of \$1.8 billion contributed to our year-end cash position of \$3.4 billion, which enabled us to increase our dividend rate by 11.8 percent for the January 2017 payment.

Business unit specialization

Thanks to our successful decentralized model—with dedicated sales, marketing, business development and research & development functions within each division—we continue to work closely with our customers to drive innovation that meets their needs. We also increased our investment in research & development, which totaled \$715 million in 2016. A few examples of recent product launches are the robotic-arm assisted Mako Total Knee application, which fully launched in March 2017; the Neptune 3 Waste Management System; the 1588 AIM Platform; and the new Tritanium interbody device for our Spine business.

Acquisitions

We had an active year in acquisitions, investing more than \$4 billion. The Medical division acquired two large companies, Sage Products, LLC and Physio-Control International, Inc., which add significant disposable products to our capital offerings while advancing our efforts on safety (i.e., preventing hospital-acquired conditions) and life-saving products (e.g., defibrillators). The other acquisitions were spread across our three operating

segments and will enhance our product portfolio. We expect to continue to pursue acquisitions, which remains our first priority for capital allocation.

Globalization

We extended our Transatlantic Operating Model beyond Europe to include Canada. This marks the second year of strong sales and earnings growth in Europe, and we had an encouraging start in Canada. Japan continues to be a good business for us, and Australia and New Zealand once again had strong performances.

Emerging markets remained challenging in 2016, especially in the first half of the year; however, we are encouraged that all key markets, including China, achieved positive growth in the fourth quarter. We remain committed to growing in emerging markets and launched MedSurg products (power tools and beds) in the value segment to complement our Trauson-branded trauma and spine products.

Cost transformation

In our efforts to systematically reduce costs, we made substantial progress by continuing to focus on product line rationalization, indirect procurement, global enterprise resource planning (ERP) system implementation, shared services and manufacturing site consolidation. Because of these programs, we not only delivered 60 basis points of operating margin leverage, but are committed to deliver 30–50 basis points annually over the next five years.

Looking ahead

Stryker continues to have a bright future. We remain confident in our ability to grow sales at the high end of the medical technology industry, while driving leveraged earnings. Our strategy, change initiatives, people and culture have consistently contributed to our success and should continue to serve us well. Our 2017 sales growth and earnings guidance again reflect our commitment to delivering strong financial performance.

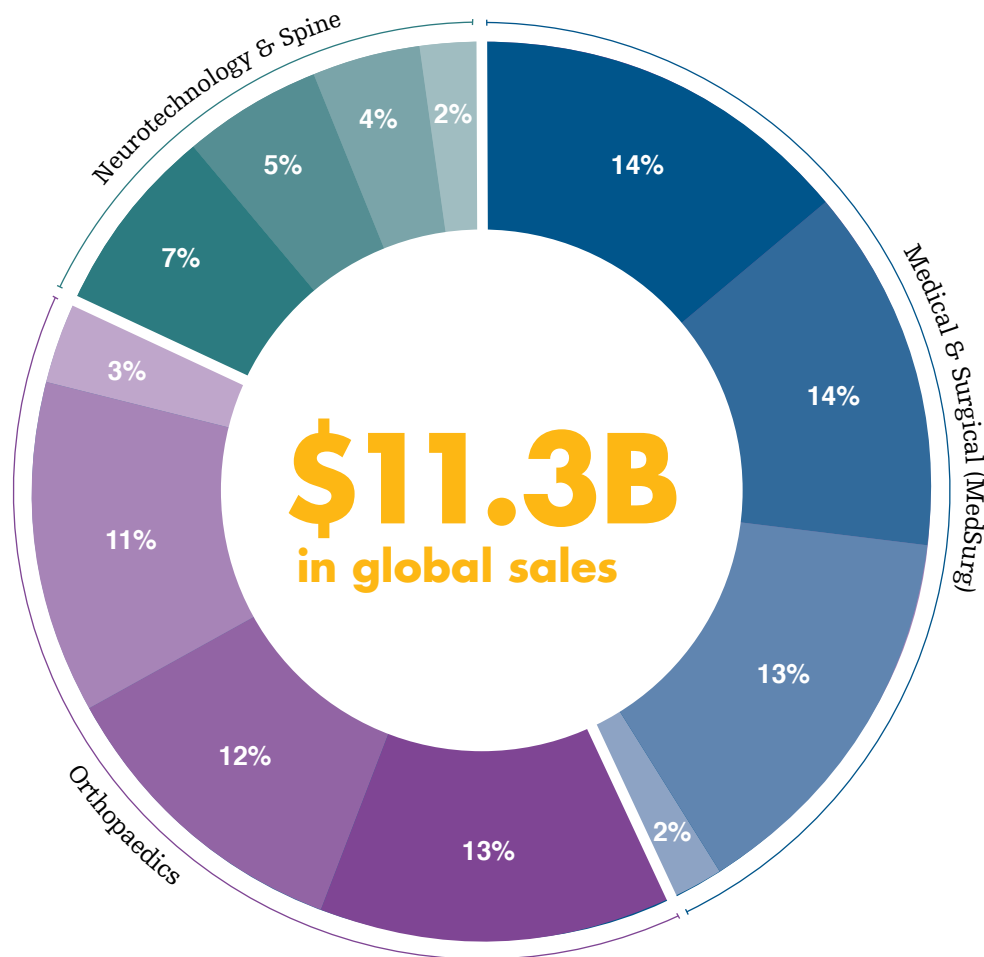
I would like to thank our management teams, our Board of Directors and our more than 33,000 employees worldwide, who continue to be fully engaged and deliver excellent results while staying true to our mission and values. Also, thank you for your investment in Stryker; we will continue to do everything we can to make it grow.



Kevin A. Lobo

Chairman and Chief Executive Officer

Leading in medtech



MedSurg

43%

- 14% Instruments
- 14% Medical
- 13% Endoscopy
- 2% Sustainability Solutions

Orthopaedics

39%

- 13% Knees
- 12% Trauma & Extremities
- 11% Hips
- 3% Other Recon

Neurotechnology & Spine

18%

- 7% Spine
- 5% Neurovascular
- 4% Neuro Powered Instruments
- 2% Craniomaxillofacial

Focused on better

Tritanium PL Cage

A hollow, rectangular implant that consists of a unique configuration of both solid and porous structures that are simultaneously built using additive manufacturing and applying our proprietary Tritanium In-Growth Technology.



Additive manufacturing

AMagine is our proprietary approach to implant creation using additive manufacturing, also known as 3D printing. AMagine technology is the result of our 10+ years of experience, expertise and excellence in the manufacturing of surgical implants. Thanks to AMagine, today we are able to tackle previously insurmountable design complexities, address unmet surgeon needs and make and sell more metal implants developed using additive manufacturing than any other company in the world. Other benefits of additive manufacturing include the ability to produce minimal material waste and the potential to offer unrivaled product development speed and thanks to the fact that each implant is generated from a single master computer model, the ability to create a metal porous matrix for a given model and size of a particular product that is virtually identical to that which was originally tested and validated. Some examples of new implants manufactured using our AMagine approach include the Triathlon Tritanium Cementless Baseplate and the Tritanium Posterior Lumbar (PL) Cage.



Customized Mandible Recon Plate Kit

Intended to be used for rigid internal fixation of primary and secondary mandibular reconstructions.

Iraq veteran faces his new life

Almost 10 years after he was shot through the mouth, Dustin "Doc" Kirby, a veteran of the Iraq War, was having his face operated on—again—in 2016.

Just before the procedure, the surgical team, led by David L. Hirsch, D.D.S., M.D., F.A.C.S., removed the metal hardware—rows of titanium screws and plates—that had held Doc's previously shattered bones in place.



David L. Hirsch, D.D.S., M.D., F.A.C.S.

Chief, Oral-Maxillofacial Surgery
Department of Otolaryngology—Head & Neck Surgery
Lenox Hill Hospital

With the surgery, the goal was to change how Doc looked, ate, talked and smiled, essentially changing his life from a traumatized, disfigured man to the spirited, healthy father of four he wanted to be again. The team's objective was to realign Doc's profile and bite using new screws and a customized, patient-specific titanium plate.

A long, grueling process

On Christmas Day 10 years ago, when Doc was 22, a single bullet entered through his left cheek and exited his right, ripping out part of his tongue and seven teeth, shattering the right side of his jaw and cracking part of his lower skull near the roof of his mouth.

The first medical team on the case saved his life. In subsequent years, which included 30 surgeries, doctors focused on the slow process of reconstructing his face. Doc began speech therapy, so he could relearn to talk, and psychological counseling to deal with post-traumatic stress disorder and his adjustment as a wounded warrior. He continued to struggle with chronic pain, migraines, insomnia and a rebuilt jaw that did not align with his teeth.

"We were at a point where there was not much more they could do," Doc says, "but I wanted my face back."

Our customized mandible reconstruction technology

Eventually, through a veterans program, Doc found Dr. Hirsch, who was one of the pioneers of virtual surgical planning (VSP)

with 3D Systems. This technology is used to design and create three-dimensional models, along with 3D printed cutting and positioning guides of the patient's current and reconstructed anatomy. The technology, provided by 3D Systems, was not available when Doc was originally treated.

Our Customized Mandible Reconstruction Plates are designed by using proprietary software and can be used in conjunction with 3D Systems' VSP technology that incorporates data from a CT scan. The patient-specific plates are designed based on inputs from a surgeon to treat each patient's unique condition.

"With this web-based technology, we have the ability to visualize anatomical landmarks to make sure the surgical plan is as accurate as humanly possible," explains Dr. Hirsch. "Cutting and positioning guides help to transfer the surgical plan into the operating room."

Dr. Hirsch also used our Colorado MicroDissection Needle, an ultra-sharp tool designed for simultaneous cutting and coagulation, which reduces local blood loss and promotes a clearer surgical field.

Weeks after the surgery, Dr. Hirsch says, "I don't think there will be any restrictions on what he can do. He's happy and pain free, and I'm thrilled with his progress."

"I couldn't imagine a life without pain, but here I am feeling great," Doc says with a big smile. "I used to spend a lot of time looking in a mirror and not seeing me," he adds. "It's such an amazing, fantastic change. It's like I'm brand new."

"It's such an amazing, fantastic change. It's like I'm brand new."

Dustin "Doc" Kirby and Brandi smiling big.



Sage Products offers prevention solutions that help reduce the risk of "never events."



2016 acquisitions focus on prevention

In 2016, we completed the acquisition of two leading companies—Physio-Control and Sage Products—that are focused on preventing medical complications and improving patient outcomes.

With the acquisition of Physio-Control—which develops, manufactures and markets monitors/defibrillators, automated external defibrillators (AEDs) and CPR-assist devices along with data management and support services—we are strengthening our scope and capabilities in the public access, emergency medical services (EMS) and acute care markets. Physio-Control has a long history of innovative products that are specifically designed to improve patient outcomes and increase cardiac arrest survival rates.

In addition, Physio-Control has achieved a global leadership position with a strong brand known for durable, high-quality products that predict or intervene in life-threatening emergencies, which will expand and strengthen our global presence.

Sage Products' offerings include solutions for oral care, skin preparation and protection, patient cleaning and hygiene, turning and positioning devices and heel care boots. Many of these disposable products are targeted at helping to reduce "never events," primarily hospital-acquired conditions in the intensive care and MedSurg unit settings. Sage Products' success is reflected in its 12-year run of double-digit sales growth.

In 2017, we will promote Sage Products' market-leading Prevalon franchise, which focuses on helping to address pressure injuries and patient handling injuries, as well as comprehensive oral hygiene systems to complement our existing acute care business.



Physio-Control's emergency care medical products, LIFEPAK 15 Monitor/Defibrillator and LUCAS 3 Chest Compression System.

\$4B+

invested in acquisitions
in 2016

Mako Robotic-Arm

Assisted Surgery

Mako Robotic-Arm Assisted Surgery enables surgeons to treat knee and hip conditions with greater predictability^{1,2,3} through more accurate component placement and reproducibility in both partial knee and total hip replacement.

In the United States, robotic-arm assisted surgery is associated with lower all-cause readmission rates for Unicompartmental Knee Arthroplasty procedures within 30 days (over 36% lower) and 90 days (over 16% lower). These reduced readmission rates translate to 40% lower readmission costs at 30 days and 66% lower readmission costs at 90 days.⁴

The Mako System offers Total Hip, Partial Knee, and now Total Knee applications. The demand for primary knee replacement procedures alone in the United States is expected to increase 673% by 2030.⁵

We celebrated the full commercial launch of the much-anticipated Mako Total Knee application in March 2017, which combines Mako technology with the clinically proven Triathlon Implant System to offer a truly innovative solution for total knee replacement.

66%

lower readmission
costs at 90 days



Mako Total Knee

1. Blyth M, Jones B, MacLean A, Anthony I, Rowe P. Accuracy of UKA implant positioning and early clinical outcomes in a RCT comparing robotic assisted and manual surgery. In: Proceedings 13th Annual Computer Assisted Orthopedic Surgery Meeting; June 12-15, 2013; Orlando, FL, USA. (Blyth/Jones 2013b).
2. Coon T, Roche M, Buechel F, et al. Short to mid term survivorship of robotic arm assisted UKA: a multicenter Study. In: Proceedings Annual Pan Pacific Orthopaedic Congress; July 16-19, 2014; Kona, HI.
3. Domb BG, Bitar YFE, Sadik AY, Stake CE, Botser IB. Comparison of robotic-assisted and conventional acetabular cup placement in THA: a matched-pair controlled study. Clin Orthop Relat Res. 2013; 472(1):329-336.
4. Baker Tilly, LLP. Mako Robotic-Arm Assisted System: A Clinical and Economic Analysis for Health Plans and Providers. 2016
5. Kurtz AAOS. Total knee and hip replacement projections 2030. www.prnewswire.com/news-releases/total-knee-and-hip-replacement-surgery-projections-show-meteoric-rise-by-2030-55519727.html. Accessed July 4, 2016.

Recognizing R&D excellence

In 2015, we introduced the R&D Fellows Award to honor five individuals for their significant accomplishments in research. Last year, we inducted two more Fellows—John Daniel, Vice President, R&D, Neurovascular and Mike Steffler, Vice President, Global R&D and Innovation, Medical.

John Daniel (left)

John has worked in the field of less invasive interventional medicine for more than 25 years. He has made significant contributions to the Neurovascular business, having launched over 20 new products globally in the last five years, resulting in double-digit growth in 16 of the last 20 quarters for the division. One of his many contributions was launching the successful Target Detachable Coil. John has been awarded 22 patents, with 10 applications pending.

Mike Steffler (right)

Mike has more than 37 years of technical design and leadership experience in such market segments as endoscopic and orthopaedic surgery, medical and surgical, ICU clinical environments and pre-hospital patient care. He is currently co-leading Customer Centered Design methodology implementation across the businesses in Kalamazoo, Michigan. In 2011, he headed the Corporate Innovation Initiative, which led to the introduction of such new approaches as Ten Types of Innovation.



97th
percentile in overall
engagement



Ryan McCarthy Managing Director, Medical, Australia and New Zealand

Ryan McCarthy honored for **transformational leadership**

Gallup Great Workplace Award winners represent the epitome of an engaged and high-performing workplace, and we are proud to be a nine-time winner. Gallup also gives organizations the opportunity to nominate someone for the Manager of the Year award, with a panel of workplace experts selecting a winner from the pool of outstanding nominees. For 2016, we nominated Ryan McCarthy, Managing Director, Medical, Australia and New Zealand, who was among the top 10 finalists for the award.

The nominees are consistently in the 90th percentile or above in overall engagement, have shown high levels of performance, attain high retention of employees and achieve consistent engagement scores over time. Ryan increased engagement across all the

teams he has led, which puts him in the 97th percentile. Under Ryan's leadership, his team dramatically increased the number of government hospital contracts over the last several years.

"These results are the natural outcome of a leader who gives his people the freedom to do what they do best every day, while supporting and inspiring them to constantly raise the bar," says Maurice Ben-Mayor, President, South Pacific. "Ryan's passion and enthusiasm are contagious, and his team takes that mindset into every customer interaction, always committed to finding ways to make other teams and the products and services we provide to our customers better."

"Ryan's passion and enthusiasm are contagious, and his team takes that mindset into every customer interaction."

Collaborative education, **specialized learning**

Our new learning center, located in Salt Lake City, Utah, will be collocated with our brand-new neuro manufacturing and distribution facility located just minutes from downtown and the international airport. The 7,800-square-foot, state-of-the-art facility was developed with the latest integration technology complete with a fully functional iSuite, integrated bio-skills lab, interactive classroom and video conferencing rooms. This center will offer an unmatched setting where our customers can interact with our sales, marketing, product innovation and medical education teams in a facility optimized for learning in a highly specialized operating environment. The center is scheduled to open in the first quarter of 2017.

Taking responsibility



One smile at a time

Operation Smile is an international medical charity that has provided hundreds of thousands of free surgeries for children and young adults in developing countries who are born with cleft lip, cleft palate or other facial deformities. As a partner since 1999, we have provided product donations and financial contributions because we share the belief that every child deserves access to safe, effective and timely surgical care and a future filled with hope. But the partnership goes well beyond donations.

Our partnership has done incredible things to advance healthcare through medical education. The educational programming we support has directly influenced the development of compassionate, skilled plastic surgeons throughout the world through medical mission experience. Additionally, the Surgeons Training Program is locally focused and provides comprehensive training of new plastic surgeons through one-on-one mentorship. This program will provide several hands-on training opportunities and, as a result, foster the creation of new cleft surgeons in resource-poor countries and increase the overall surgical capacities of countries around the world.

Additionally, we sponsor groups of employees as non-medical mission volunteers who provide day-to-day support for families during this critical time. For the most recent trip in January 2017, eight employees traveled to Panskura, India. In support of this mission, we conducted a fundraiser, through which the company matched employee donations dollar for dollar. The campaign raised funding for almost 300 surgeries.

\$38.9M

worth of financial and product support worldwide in 2016

12.9M

pounds of medical waste eliminated from landfills

Committed to green

We are in the business of care, so we consider the health of the world around us as vital as the health of the people who live in it. We are committed to operating in a responsible manner that will deliver lasting social, environmental and economic value across our operations, products and services. Here is a sample of our environmental initiatives:

Recycling: We recycle paper products, cardboard, packaging and metals, and we load delivery vehicles in a manner that helps eliminate the need for packaging and optimizes transportation routes to save fuel.

Waste reductions: Our Sustainability Solutions' United States hospital and health system customers saved more than \$299 million in 2016 and eliminated 12.9 million pounds of medical waste from landfills.

Energy reductions: In our Newbury, U.K., location, we use rainwater for flushing toilets, energy efficient lighting and heating, solar panels and sensor lighting in all areas.

Our leadership team



Front row

Lonny J. Carpenter
Group President, Global Quality
and Business Operations

Yin C. Becker
Vice President, Communications and
Public Affairs

Kevin A. Lobo
Chairman and Chief Executive Officer

Middle row

Michael D. Hutchinson
General Counsel

M. Kathryn Fink
Vice President, Chief Human
Resources Officer

Bijoy S. N. Sagar
Vice President, Chief Information Officer

Katherine A. Owen
Vice President,
Strategy and Investor Relations

Back row

Glenn S. Boehnlein
Vice President,
Chief Financial Officer

David K. Floyd
Group President, Orthopaedics

Timothy J. Scannell
Group President, MedSurg and
Neurotechnology

Division Presidents

Businesses

Xavier M. C. Berling
Trauma & Extremities

William J. Hufnagle
Joint Replacement

Bradley W. Paddock
Spine

Mark H. Paul
Neurovascular

J. Andrew Pierce
Endoscopy

Bradford L. Saar
Medical

Spencer S. Stiles
Instruments

Brian J. White
Sustainability Solutions

Regions

Maurice Ben-Mayor
South Pacific

Laurence F. I. Hipkin
Eastern Europe,
Middle East, Africa

Graham A. McLean
Japan

Scott A. MacNair
Canada

M. Brent Scott
Asia

Fabrizio Signorin
Latin America

Stuart A. J. Silk
Europe, Middle East,
Africa & Latin America

Board of Directors



From left to right

Allan C. Golston * **

Srikant M. Datar, Ph.D. † ‡

Ronda E. Stryker ‡

Howard E. Cox, Jr. **

Kevin A. Lobo *

Andrew K. Silvernail **

Louise L. Francesconi † ‡

Roch Doliveux, D.V.M. † ‡

* Lead Independent Director

** Audit Committee

† Compensation Committee

‡ Governance and Nominating Committee

* Chairman of the Board

Chairman Emeritus

John W. Brown

Chairman Emeritus and Former Chairman,
President and Chief Executive Officer

Other Officers

Dean H. Bergy

VP, Corporate Secretary

William E. Berry, Jr.

VP, Corporate Controller

Jeanne M. Blondia

VP, Finance and Treasurer

Irene B. Corbe

VP, Internal Audit

William J. Cymbaluk

VP, Corporate Regulatory
Affairs and Quality Assurance

David G. Furgason

VP, Tax

Bronwen R. Taylor

VP, Compliance and
Risk Management

Global recognition

Best Workplaces For Giving Back

#20 in 2017

out of 50 companies

Best Workplaces For Parents

#24 in 2016

out of 50 companies,
first time on the list

Best Workplaces in Manufacturing & Production

#4 in 2016

out of 15 companies

Best Places to Work in Australia

#2 in 2016

recipient for the third
consecutive year

Best Workplaces – Spain and Canada

#9 for Spain in 2016

first time participating

#25 for Canada in 2016

recipient for the seventh
consecutive year

The Sunday Times 100 Best Companies to Work For

#19 in 2017

Stryker U.K. recipient for the
11th consecutive year

FORTUNE World's Most Admired Companies

#5 in 2017

Medical Products & Equipment
award recipient for the 16th
consecutive year

FORTUNE 500 Largest U.S.- Based Companies

#287 in 2016

joined the list in 2003 as #493
14th consecutive year on the list

FORTUNE 100 Best Companies to Work For (U.S.)

#19 in 2017

recipient for the seventh
consecutive year

Additional information

Independent registered public accounting firm

Ernst & Young LLP
Grand Rapids, Michigan

Transfer agent and registrar

American Stock Transfer & Trust Company, LLC
New York, New York

Shareholders needing information regarding their certificates or dividends should contact:

American Stock Transfer & Trust Company, LLC
Operations Center
6201 15th Avenue
New York, NY 11219
800 937 5449
info@amstock.com

Investor contact

Katherine A. Owen
Vice President, Strategy and Investor Relations

Media contact

Yin C. Becker
Vice President, Communications and Public Affairs

Business development contact

Bryant S. Zanko
Vice President, Business Development

Annual meeting

The Annual Meeting of Shareholders of Stryker Corporation will be held at the Radisson Plaza Hotel at the Kalamazoo Center in Kalamazoo, Michigan, on Wednesday, May 3, 2017, at 2:00 p.m. ET.

Stock listing

The company's common stock is traded on the New York Stock Exchange under the symbol SYK.

Form 10-K

The company files a Form 10-K with the Securities and Exchange Commission. Shareholders may view the 2016 report at www.stryker.com or request a copy by writing to:

Investor Relations
Stryker Corporation
2825 Airview Boulevard
Kalamazoo, MI 49002

Trademarks

The following trademarks or service marks of Stryker Corporation, its divisions or other corporate affiliated entities appear in this annual review: 1588 AIM, AMagine, CinchLock, Colorado, Comfort Shield, iSuite, Mako, M-Care, Neptune, Physio-Control, Prevalon, Sage, Stryker, Target, Together with our customers, we are driven to make healthcare better., Triathlon, Tritanium.

VSP is a registered trademark of 3D Systems, Inc. All other trademarks or service marks are trademarks or service marks of their respective owners or holders.

The products referenced within this review may not all be approved or cleared for sale, distribution or use in the United States.

Diversity and inclusion

We are committed to building an inclusive, engaging work environment. Our goal is to encourage, value and leverage differences in people and perspectives to maximize business outcomes. Diversity and inclusion is a business imperative that aligns with our mission and values.

Reconciliation of non-GAAP financial measures with the most directly comparable GAAP financial measures

	Net earnings (\$ millions)						Net earnings per diluted share					
	2011	2012	2013	2014	2015	2016	2011	2012	2013	2014	2015	2016
Reported	\$1,345	\$1,298	\$1,006	\$ 515	\$1,439	\$1,647	\$3.45	\$3.39	\$2.63	\$1.34	\$3.78	\$4.35
Acquisition and integration related charges	142	37	72	65	24	100	0.37	0.09	0.19	0.17	0.06	0.26
Amortization of intangible assets	—	88	98	133	147	221	—	0.23	0.26	0.35	0.39	0.59
Restructuring-related charges	60	59	46	78	97	98	0.16	0.15	0.12	0.20	0.26	0.26
Recall matters	—	133	460	628	210	127	—	0.35	1.20	1.65	0.55	0.34
Regulatory and legal matters	—	33	63	—	(46)	(7)	—	0.09	0.17	—	(0.12)	(0.02)
Donations	—	—	15	—	—	—	—	—	0.04	—	—	—
Tax matters	(99)	—	(46)	391	78	8	(0.26)	—	(0.12)	1.02	0.20	0.02
Adjusted	\$1,448	\$1,648	\$1,714	\$1,810	\$1,949	\$2,194	\$3.72	\$4.30	\$4.49	\$4.73	\$5.12	\$5.80

Refer to Appendix E to our 2017 proxy statement, available at www.proxymaterials.stryker.com, for additional information regarding our non-GAAP financial measures.

Orthopaedics



Hips



Knees



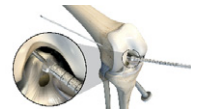
**Robotic-Arm
Assisted
Technology**



**Trauma &
Extremities**



Foot & Ankle



Sports Medicine

Medical and surgical equipment



**Power Tools &
Surgical
Equipment**



**Computer
Assisted Surgery**



**Minimally-
Invasive Surgical
Solutions**



**Infrastructure &
Integration**

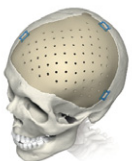


**Pre-hospital
and Acute Care**



**Reprocessing &
Remanufacturing**

Neurotechnology and spine



**Craniomaxillo-
facial**



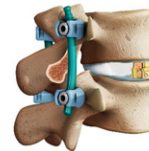
**Interventional
Spine**



**Neurosurgical,
Spine & ENT**



Neurovascular



**Spinal Implants
and Biologics**



To experience the online, interactive
Annual Review with a video message
from the Chairman and CEO, please visit
www.stryker.com/2016.