

stryker

Annual Review 2015



Advancing together

As a third-year college student, Nora has a lot to live for, with hopes of traveling the world and helping others. But her dreams were put in jeopardy in June 2015 when she suffered an ischemic stroke. Nora is one of seven million stroke survivors in the U.S., but many are not as lucky as she was.



F.A.S.T.

Face

Look for an uneven smile or facial droop.

Arm

Is there weakness in one arm?

Speech

Is speech slurred or jumbled?

Time

Do not delay; call 911 immediately.

Trevo XP ProVue Retriever

Trevo retriever helps save a young life after a stroke

On the morning of her stroke, she had a severe headache, so went back to bed. An hour later, Nora got out of bed and walked straight into a wall. Dazed and confused, she went back to bed again. "I just didn't understand what was going on."

A short time later, when Nora's roommate Christine checked in on her, wondering why she hadn't gotten up for work, "[Nora] started repeating her words with really unclear sentences. She knew what she was trying to say, but it wasn't getting out coherently." Christine also noticed the left side of Nora's body was swaying when she got up to walk. Suspecting Nora was having a stroke—a savvy understanding for someone so young—Christine called 911.

At the local hospital, the diagnosis of ischemic stroke—a large-vessel blockage of blood flow in the brain—was confirmed. By then, the left side of her body was paralyzed and she couldn't speak. Unfortunately, Nora was not a candidate for tPA, the clot-busting drug that's currently the only medical option for stroke. Her only chance for recovery was to have the clot removed with a stent retriever, a minimally invasive procedure that is now the standard of care for large-vessel blockages.

Nora was transferred to the California Pacific Medical Center in San Francisco, where they specialize in the procedure. Dr. Joey English, the Director of Neurointerventional Services, removed the clot using our Trevo retriever.

"The new stent retrieval devices for treating large-vessel occlusions are pretty remarkable advances," says Dr. English. "I hate to think what Nora's outcome would have been without this new technology. She's living proof that Trevo has changed the way we treat stroke."

The surgeon makes a small incision in the groin and, using a series of catheters, guides the device to the brain where it ensnares and then removes the clot through the catheter. The Trevo device provides full-length visibility for the surgeon, and therefore greater control and real-time information during its placement, integration and clot retrieval. In fact, it was the 2014 winner of the prestigious Prix Galien Award for best medical technology.

Led by R&D engineer Ryan Grandfield, the development of the Trevo retriever was several years in the making. "We had to figure out the intricate geometry so it could attach securely to everything from soft, jelly-like clots to hard ones," Ryan explains. "It's a nickel-titanium alloy with shape memory to help secure the clot."



Ryan Grandfield

Senior Principal R&D Engineer

Within an hour of the procedure, Nora was able to move the left side of her body again; within a day her facial weakness and slurred speech were gone. "Everyone was so thrilled for her," says Nora's mother, Jill. "I will never live long enough to thank Christine and Dr. English."

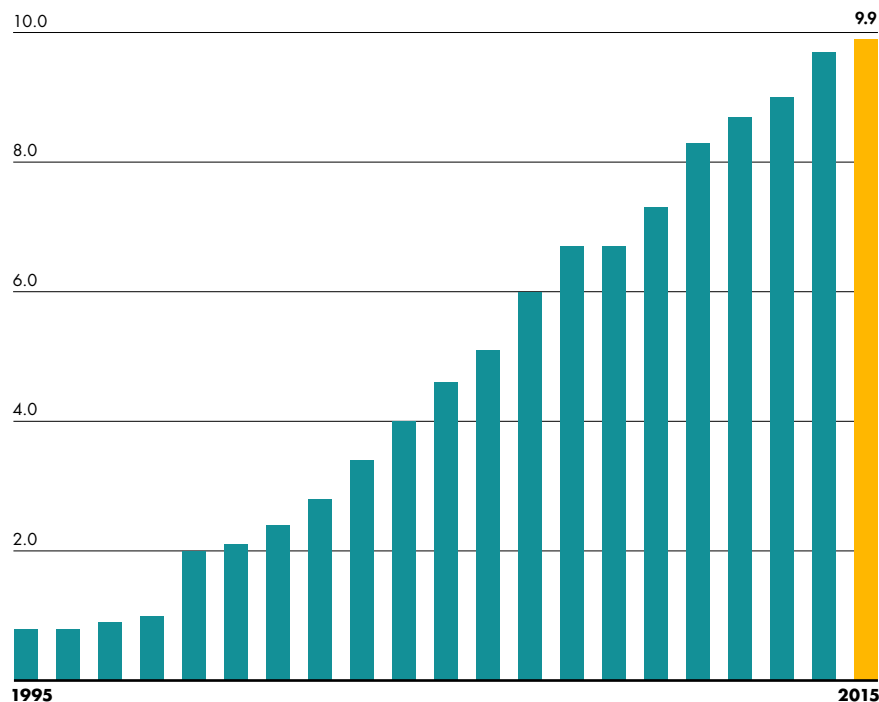
Only months after her stroke, with no residual symptoms, Nora is living independently with her roommate and is continuing her college studies. "When I see someone who's had a stroke and I see that they have the symptoms I could have had, I think I'm really lucky."

Cover (from left to right): **Joey English**, M.D., Ph.D.; **Lee Rink**, R.N., Stroke Coordinator; **Matthew Deems**, Stryker Sales Representative; **Nora Kasapligil**, stroke survivor

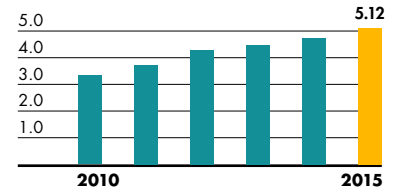
Inside front cover: **Nora Kasapligil** and her roommate, **Christine Kubota**

Financial highlights

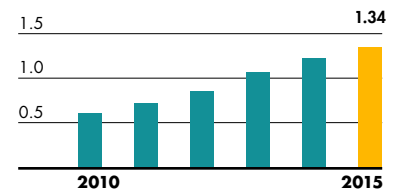
History of revenue growth \$ in billions



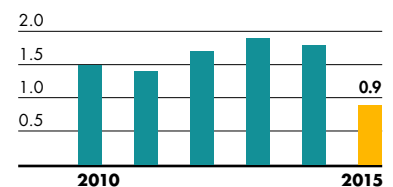
Adjusted net earnings^{1,2} \$ per diluted share



Dividends paid \$ per share of common stock



Cash flow provided by operating activities \$ in billions



Financial overview

(In millions, except per share amounts)

2015 2014 % Change

Net sales	\$9,946	\$9,675	2.8
Earnings before income taxes	1,735	1,160	49.6
Income taxes	296	645	(54.1)
Net earnings	1,439	515	179.4
Adjusted net earnings^{2,3}	1,949	1,810	7.7
Net earnings per diluted share of common stock			
Reported	\$ 3.78	\$ 1.34	182.1
Adjusted ^{1,2}	5.12	4.73	8.2
Dividends paid per share of common stock	\$ 1.34	\$ 1.22	9.8
Cash, cash equivalents and marketable securities	\$4,079	\$5,000	(18.4)

GAAP is defined as accounting principles generally accepted in the United States.

1. A non-GAAP financial measure. The most comparable GAAP financial measure is net earnings per diluted share, which were \$3.19, \$3.45, \$3.39, \$2.63, \$1.34 and \$3.78 in 2010, 2011, 2012, 2013, 2014 and 2015, respectively.

2. For a reconciliation between these non-GAAP financial measures and their most comparable GAAP financial measure, refer to our Annual Report on Form 10-K, available on our website at www.stryker.com or at the SEC's website at www.sec.gov.

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



“The fourth quarter marked our 11th consecutive quarter of at least five percent organic sales growth.”

Kevin A. Lobo

Chairman and Chief Executive Officer

Dear shareholders,

In 2015 we continued our positive momentum and delivered another year of strong financial performance. We strengthened our position in Orthopaedics, Medical and Surgical (MedSurg) and Neurotechnology and Spine and made significant progress on globalization, innovation, collaboration and cost transformation.

Financial performance

Our six percent organic sales growth (which excludes the impact of acquisitions and foreign currency exchange) was once again at the high end of the medical technology industry. In fact, the fourth quarter marked our 11th consecutive quarter of at least five percent organic sales growth, demonstrating remarkable consistency. Our reported sales growth was nearly three percent and, in spite of the strong U.S. dollar, which negatively impacted earnings per share by approximately 25 cents, we posted an improvement in adjusted net earnings per diluted share¹ of eight percent.

Our businesses in the U.S. posted an impressive overall growth of 8.5 percent, while internationally our growth of 3.7 percent in constant currency was negatively impacted by a significant second-half slowdown in China and Brazil. The sales declines in China and Brazil were offset by growth in other international markets, especially the developed markets of Europe, Japan and Australia, which had strong constant currency growth in 2015.

We also continued to generate healthy operational cash flow, which contributed to a year-end cash position of \$4.1 billion. With the strength of our balance sheet, we repurchased 7.4 million shares in 2015 for \$700 million and were able to announce an increase in our dividend rate of 10 percent for the January 2016 payment.

Globalization

We merged our European and U.S. businesses under the new Transatlantic Operating Model and had excellent results, with Europe growing similarly to the company average rate in constant

currency. This success motivated us to bring Canada into the model in 2016. Additionally, we eliminated the role of Group President of International and shifted the reporting of four regions to our Group Presidents Lonny Carpenter, David Floyd and Tim Scannell to further strengthen our global business connections. Over time, they will work with regional leaders to assess whether additional structural changes are warranted.

\$9.9B

net sales in 2015

With the strong U.S. dollar and the difficult macroeconomic conditions in China and Brazil, sales in emerging markets constituted less than eight percent of our total sales. Despite these immediate challenges, we expect to improve our presence in these markets and grow this percentage over time. Trauson continues to perform well in China and, while expansion

outside of China is somewhat behind plan, we remain optimistic about Trauson's long-term potential in many international markets.

- Our Spine division revitalized its pipeline with new offerings that focus on minimally invasive procedures and orthobiologics and

products such as defibrillators and CPR assist devices. Both companies have long-standing leadership brands and cultures that fit very well with Stryker. They complement our acute care and emergency medical services businesses within our Medical division. We also announced an agreement to acquire the assets associated with the neuro portfolio of Synergetics USA, Inc., by our Instruments division to help fuel continued strong growth in that business.

In 2015 we refreshed our brand identity. You will notice this new look in all Stryker materials, including this Annual Review.

Innovation

Our divisions continue to bolster their pipelines with innovative ideas and products that will drive differentiation and enable us to sustain high sales growth. For example:

- We have developed capabilities in 3D printing, also known as additive manufacturing. This process makes it possible to produce unique porous structures, including products for our knee systems and a new interbody device for spine procedures.
- Our Mako business received U.S. Food and Drug Administration market clearance for our Mako Total Knee application. With this, we are moving into a limited launch to prepare for the full rollout of robotic-arm assisted total knee procedures.
- The Trevo retriever was one of the key products used in the clinical trials that support the American Heart Association and American Stroke Association's new guidelines recommending endovascular therapy with stent retrievers for ischemic stroke patients.

our Trauma & Extremities division also continued its steady launch of new products.

- Our Instruments division began rolling out its signature line of neuro-powered drills, and our Endoscopy business launched numerous sports medicine products as well as a remarkable new camera system, the 1588 AIM, that enhances visualization of patient anatomy for use across six surgical specialties. In addition, our Medical division introduced products from two acquisitions—notably low-height beds from CHG and lower-priced beds from Muka Metal for emerging markets.

Acquisitions

We continue to supplement internal innovations with acquisitions. In addition to the Medical transactions mentioned above, we announced in early 2016 agreements to acquire Sage Products, LLC, and Physio-Control International, Inc. Sage aligns with our focus on offering products and services that support a mindset of prevention, specifically in the area of “never events” such as hospital-acquired infections. Physio-Control provides lifesaving

Collaboration

Stryker is a trusted brand with a strong reputation for quality. In 2015 we refreshed our brand identity by introducing a gold accent to the historic black-and-white and defined consistent standards of use for all divisions. You will notice this new look in all Stryker materials, including this Annual Review.

Along with our new, consistent branding we are finding new ways to increase collaboration across divisions, without detracting from our decentralized business unit approach. Our customers see this in areas such as neurotechnology, where many of our divisions are selling to this specialty, and in our new Regional European Headquarters where colocated



Tritanium PL Posterior Lumbar Cage manufactured using 3D printing

employees are sharing best practices and identifying logical cross-divisional collaborations. We are also seeing it in new product development, with 3D printing as one example.

Cost transformation

Over the course of 2015 we developed a multiyear road map for cost transformation that includes (1) product line rationalization, (2) indirect procurement optimization, (3) global enterprise resource planning (ERP) system commonization, (4) shared services expansion and (5) manufacturing site consolidation. This transformation is being led by Group President Lonny Carpenter and is an excellent opportunity to capture savings that can help drive growth and enable consistent delivery of leveraged earnings.

The Stryker culture

After three years as CEO, I see more clearly than ever how our unique culture defines us and sets us apart. It begins with a deep commitment to our Mission: **Together with our customers, we are driven to make healthcare better**, and to our Values: **Integrity, Accountability, People and Performance**.

Our culture is driven by growth and hard work, balanced with humility. We continue to win many accolades as a preferred place to work around the world. In 2015 we were honored by both Great Place to Work and FORTUNE for the fifth time as one of the best places to work in the United States, an acknowledgment that bodes well for our future. As Stryker continues to grow and evolve, we are committed to maintaining our strong, dynamic culture, built on decentralized businesses and sales forces that align closely with our customers.

We have also made some changes to the Stryker Leadership Team. I would like to thank Steve Bencoter, previously head of Human Resources, for accepting the role of Vice President responsible for implementation of our global ERP system, and to welcome Katy Fink as the newly promoted Vice President of Human Resources. I also want to thank Ramesh Subrahmanian, our former Group President of International for his contributions. Finally, I would like to

26,000+

employees around the world

thank Bill Jellison for his leadership of our finance function, and congratulate him on his retirement on March 31, 2016, and to welcome Glenn Boehnlein, who has been promoted as his successor.

Looking ahead

While the healthcare landscape continues to change rapidly, and macroeconomic conditions remain volatile, we remain confident in our ability to continue to grow and drive leveraged earnings.

For 2016 our current guidance, which assumes the closing of the previously announced acquisitions, includes constant currency sales growth in the five to six percent range and adjusted net earnings per diluted share in the range of \$5.57 to \$5.77, an improvement of 9 to 13 percent including an expected 2.5 percent negative foreign currency impact per share. This positive outlook reflects our unwavering commitment to strong financial performance and to our ability—and flexibility—to meet new challenges in changing times.

For all of our success in 2015 and our optimism about the future, I would like to thank our management teams, our Board of Directors and our 26,000+ employees around the world who continue to drive results while staying true to our Mission and Values. Change always provides opportunities, and Stryker stands ready to seize them.



Kevin A. Lobo

Chairman and Chief Executive Officer

Mission:

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

Values:

Integrity
Accountability
People
Performance

Driven by **better**

Collaboration meets innovation with customized cranial implant

Traditional methods of cranial reconstruction focus solely on the bone reconstruction of the skull and do not account for the overlying soft tissue that is an important factor in the overall cosmetic outcome of surgery. When the soft tissue is not addressed, it can lead to a visible deformity after the operation called PTH (persistent temporal hollowing).

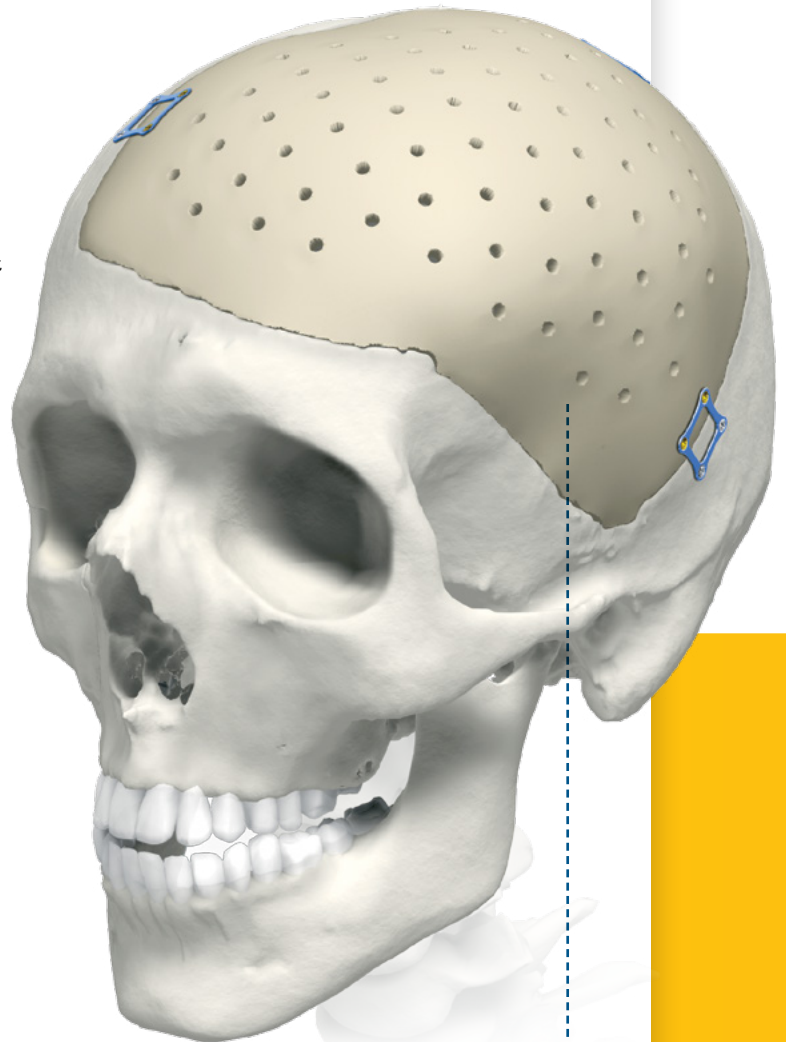
When a surgeon removes a portion of the patient's cranial bone to access the brain, the implant that is typically used diminishes blood supply. As a result, the overlying soft tissue is subject to atrophy or shrinkage. Our CCI Plus is a unique and patent-protected technology that accounts for both the bone reconstruction and the predicted soft tissue deficiency.

Our customized cranial implants are sent with a host bone model that is made using 3D printing technology, also known as additive manufacturing. The model is used to help orient the implant and allow the surgeon to "plan" the surgery prior to the actual operation.

This exclusive innovation is the result of a collaboration with craniofacial surgeon Chad Gordon, D.O., F.A.C.S., of Johns Hopkins Hospital. According to Dr. Gordon, "These implants provide, on average, 40 percent additional volume, which significantly decreases the need for surgical revisions and additional expense to the patient."¹

40%

**additional volume significantly
decreases the need for
surgical revisions**



Purpose ■

The customized implant will fill a cranial void and also restore aesthetic symmetry by augmenting the temporal area of the skull to counter temporal hollowing.

1. Gordon, et al. "Quantitative analysis of dual-purpose, patient-specific craniofacial implants for correction of temporal deformity." *Operative Neurosurgery*, 2015;11 (2)

Mako Total Knee application: a key milestone in reconstructive surgery

The addition of our Mako Total Knee application to our market-leading Triathlon Knee System is a key milestone in reconstructive surgery. This new application expands the growth of robotic-arm assisted surgery in orthopaedics and has the potential to enhance both the surgeon and the patient experience.

Use of the Mako Total Knee application with our Triathlon Knee System will add to the company's current robotic-arm assisted surgery portfolio of Partial Knee and Total Hip applications to provide a comprehensive solution in the robotic-arm assisted reconstructive service line.

We are launching a limited market release of the Mako Total Knee application in 2016, actively partnering with surgeons and experts to study the operating room workflow and learning curve. The observations from these studies will deliver valuable insights and data that will assist in defining the surgeon and staff training requirements and operating room configuration, which will enhance the user experience. This feedback will provide us with the opportunity to converge on a single work flow to allow every surgeon using the Mako Total Knee application the opportunity to reduce complexity and experience simpler and more reproducible procedures.

To date, more than 50,000 Mako Partial Knee and 10,000 Mako Total Hip

procedures have been performed.¹ As demand for knee and hip procedures continues to rise, Mako Robotic-Arm Assisted Systems are designed to enable surgeons to reduce variability within reconstructive procedures.²⁻¹²



Mako Total Knee with the Triathlon Knee System

We are launching a limited market release of the Mako Total Knee application in 2016.



1. Stryker sales data.
2. Citak M, Suero EM, Citak M, Dunbar NJ et al. Unicompartamental knee arthroplasty: Is robotic technology more accurate than conventional technique? *The Knee* 2013; 20:268-271.
3. Dunbar NJ, Roche MW, Park BH, Branch SH; et al. Accuracy of Dynamic Tactile-Guided Unicompartamental Knee Arthroplasty. *Journal of Arthroplasty*. May 2012. 27(5): 803-808.e1.
4. Lonner JH. Robotic-Arm Assisted Unicompartamental Knee Arthroplasty. *Seminars in Arthroplasty*. 2009. 20(1): 15-22.
5. Lonner JH, John TK, Condit MA. Robotic Arm-Assisted UKA Improved Tibial Component Alignment: A Pilot Study *Clin Orthop Relat Res*. July 2010. 468(1):141-6.
6. 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. 13th Annual CAOS Meeting, June 12-15, 2013, Orlando, FL, USA.
7. Nawabi DH, Condit MA, Ranawat AS, Dunbar NJ, et al. Haptically guided robotic technology in total hip arthroplasty: a cadaveric investigation. *Journal of Engineering in Medicine* 2012;227(3):302-309.
8. Jerabek SA, Carroll KM, Maratt JD, Mayman DJ, Padgett DE. Accuracy of Cup Positioning and Achieving Desired Hip Length and Offset Following Robotic THA.; 14th Annual CAOS meeting, June 18-21, 2014, Milan, Italy.
9. Ilgen RL, Bukowski BR, Abiola R. Outcomes after Primary Total Hip Arthroplasty: Manual Compared with Robotic Assisted Techniques.
10. Domb BG, El Bitar YF, Sadik BS, Stake CE, Botser IB. Comparison of Robotic-assisted and Conventional Acetabular Cup Placement in THA: A Matched-pair Controlled Study. *Clin Orthop Relat Res*. 2014 Jan;472(1):329-36.
11. Ilgen R. Robotic Assisted THA: Reduce Outliers and Predictable Outcomes. 43rd Annual Course: Advances in Arthroplasty, October 22-25, 2013, Cambridge, MA.
12. Esposito CI, Lipman J, Carroll KM, Jerabek SA, Mayman SA, Padgett DE. Acetabular Component Cup Placement Using a Haptically Guided Robotic Technology in Total Hip Arthroplasty. 16th EFORT Congress, May 28-30, 2015, Prague, Czech Republic.

New video technology improves surgical visualization

In late 2015, we launched the 1588 AIM platform, a connected surgical video system that is designed to improve the visualization of critical anatomy. This is the first visualization platform to integrate five unique imaging methods into one system designed for six surgical specialties—laparoscopy; arthroscopy; urology; gynecology; ear, nose and throat; and gastroenterology.

“This new platform allows us to see critical anatomy in real time, with a simple touch of the button on the camera head,” said Dr. Scott Melvin, Director of General Surgery at Montefiore Medical Center. “The reality is that this technology brings a lot to the table,” said Dr. Santiago Horgan, Chief of Minimally Invasive Surgery at University of California, San Diego.

The five key elements of the platform include: IRIS (Infrared Illumination System), a visualization technology designed to reduce the risk of ureteral damage; ENV (Endoscopic Near Infrared Visualization), designed to reduce the risk of common bile duct injury

during laparoscopy; Clarity, designed to improve anatomy visualization by enhancing tissue level detail and intra-body structures, which can improve image quality by up to 48 percent¹; DRE (Dynamic Range Enhancement), designed to improve visualization in the surgical field by creating a brighter image in dark and posterior compartments; and Desaturation, which decreases the saturation of color in the image, a preference that varies by surgeon and specialty.

↑ 48%

increase in image quality¹

“This new platform allows us to see critical anatomy in real time, with a simple touch of the button on the camera head.”

Dr. Scott Melvin

Director of General Surgery at
Montefiore Medical Center



1. Data on File. Internal Reference. TR16211

The 1588 AIM Platform with SDC3

1.5 Software allows surgeons to see and do more in minimally invasive surgery. The platform gives surgeons customized control of compatible surgical devices in the operating room, while enhancing visualization through five distinct imaging modalities.



Surgeons help develop the signature portfolio

The signature portfolio represents the most comprehensive high-speed drill launch in Stryker's 75-year history, the result of a close collaboration with surgeons to create an array of refined motors, attachments and cutting accessories that meet functional and ergonomic needs.

In fact, the collaboration created four new motors, four new attachment lines and more than 60 new cutting accessories for cranial and spine surgeries, and any number of other demanding and delicate procedures.

Since surgeons are always looking to improve performance, the signature portfolio provides multiple customization components, including 30 meticulously crafted attachments and many cutting accessories. Surgeons can also calibrate Stryker's I.D. Touch software on the CORE Console to tailor how the electric drill will perform.

In essence, surgeons can select the drill they want, dial in how they want their electric drill to feel, and store their preferences in the ancillary CORE Console power source. Once selections are made, each surgeon can be confident that the drill will perform the way he or she wants—every time.



Signature portfolio high-speed drills

Outcome **focused**

Boston Marathon survivor benefits from Hoffmann external fixation

Beth Roche, a 60-year-old Indiana mother who drove 1,000 miles to watch her daughter run in the Boston Marathon in 2013, was among those seriously injured in the devastating terrorist bombings.

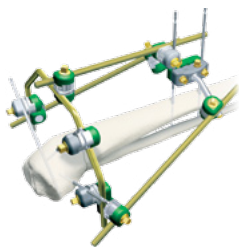
“All of a sudden, I was on the ground and there was glass all over the place and the noise was so loud. And then I looked down and I saw that my leg was all opened up,” she said in a television interview. Beth suffered a compound fracture of her left tibia and a shattered kneecap.

Fortunately, on a day of fear and tragedy, Dr. Scott Ryan, Chief of Orthopaedic Trauma at Tufts Medical Center, was on hand with colleagues to operate on Beth immediately.

Key to Beth’s treatment was the Hoffmann II MRI, an external frame that held her leg in place. Made of lightweight carbon-based materials, the Hoffmann frame was designed to provide patient comfort and facilitate fracture management and stabilization.

In addition to being cleared for MRI use under prescribed conditions, the frame employs “snap-fit” technology, so postoperative corrections and treatments for soft-tissue damage can be made with the frame in place. Clinicians can also build the frame to treat fractures close to a joint or stay clear of damaged soft-tissue areas.

Since that eventful day, Beth has had three surgeries in Boston and Chicago, including a knee reconstruction. After months of physical therapy and a great deal of determination, Beth is back on her feet, increasingly gaining flexibility and, as she says, “embracing this journey with dignity and without bitterness.”



The Hoffmann frame can add to patient comfort and facilitate fracture management and healing.

Celebrating Stryker's innovative spirit

Innovation is the life blood of Stryker, and the Global R&D Awards celebrate and nurture this innovative spirit by recognizing colleagues whose perseverance, collaboration and creativity have resulted in products and processes that have made a difference for millions of caregivers and patients worldwide.

In 2015, the company introduced a new program, the Stryker R&D Fellows Award, honoring five individuals for their long-term performance and significant accomplishments in research and development. These fellows are:

Bernd Robioneck, Ph. D., based in Kiel, Germany, who has advanced the standard of care for orthopaedic patients around the world in his 27 years at Stryker, influencing product portfolios in Oncology, Spine, Craniomaxillofacial, Reconstructive and Trauma & Extremities.

Jim Evans, with three decades at Stryker, who laid the foundation for what are today's most successful product development enterprises at two of our largest divisions, including such groundbreaking products as the Triathlon Knee System.

Jerry Culp, with 24 years at Stryker, who has invented significant breakthrough technologies that are considered the

industry's gold standard in their categories—from power tools to new-generation technology for robotics.

Aiguo Wang, the General Manager of Trauson, who received the Gold Medal Award as "Star Entrepreneur" from the Mayor of Changzhou in 2013 and 2014. A 24-year Stryker veteran, he holds more than 30 U.S. and international patents.

William Chang, a 34-year Stryker veteran with 12 U.S. patents, who invented the first 3 Chip CCD medical camera and has inspired more than a dozen other best-in-class models that have revolutionized medical endoscopic video.

Together we develop **innovative products and services** that improve the lives of caregivers and patients.



The Stryker R&D Fellows pictured with John W. Brown, Chairman Emeritus and Former Chairman, President and Chief Executive Officer (from left to right): Bernd Robioneck, Ph. D., Jim Evans, John W. Brown, Jerry Culp, Aiguo Wang and William Chang.

Growing with the world



Transatlantic Operating Model **flourishing**

Stryker established the Transatlantic Operating Model (TOM) when the company's businesses in Europe and the United States merged into direct-line-reporting divisions early in 2015. Since then, the company's Divisional European Leaders have been overseeing the sales, marketing and educational activities of the new transatlantic divisions, and the

European Country Managing Directors, now centered in the European Regional Headquarters, are focused on promoting growth through increased collaboration and shared best practices.

In part because of the new organizational structure, sales in Europe grew over six percent in 2015, with strong increases in each country, and we are receiving positive customer feedback and improved employee engagement.

TOM's initial focus in Europe included the larger European countries—U.K., Germany, France, Iberica and Italy. Based on the positive results and potential for continued growth, the European Leadership Team is bringing additional countries in Europe into TOM. Effective January 1, 2016, Switzerland, Austria, Poland, Belgium and the Netherlands joined the "EU 5" under TOM and will align with TOM processes and governance. Canada is also becoming part of the model on the North American side.

Collaboration creates focused neurotechnology portfolio

Our newly organized neurotechnology portfolio is a unique collaboration between eight Stryker businesses that is designed to strengthen the company's leadership in the neuro community by organizing product offerings into three main categories: spine, cranial and neurovascular.

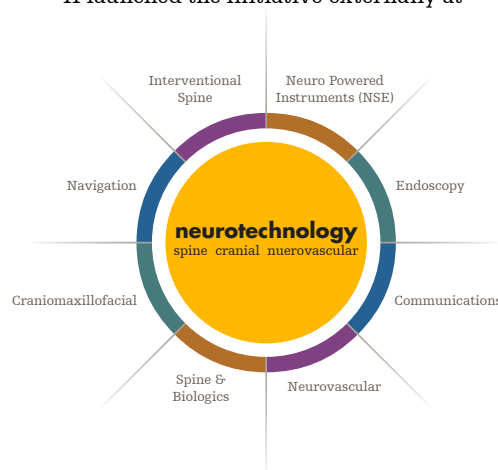
By bringing together Communications, Craniomaxillofacial (CMF), Endoscopy, Navigation, Neurovascular, Neuro Powered Instruments (NSE), Interventional Spine (IVS) and Spine, the company can showcase its depth of products and specialized services

in a way that better aligns with neuro customers and their specialty practices.

This neurotechnology initiative was launched in two phases—first, an internal rollout to clarify what it would mean to customers, competitors and our reputation as a "neuro company." Phase II launched the initiative externally at

the annual meeting of the Congress of Neurological Surgeons in September 2015, including a new dedicated website, www.stryker.com/neurotechnology.

The group also provided live, cross-divisional training focused on the customer experience and customer engagement strategy, as well as a communication campaign that ranged from conference center advertising, social media and collateral to medical education events. This significant investment and collective effort is expected to strengthen our leadership position in the neuro community. The next neurotechnology event will take place at the annual meeting of the American Association of Neurological Surgeons, in April 2016.





Transatlantic Operating Model

promoting growth through increased collaboration and best practices

↑ 6%

sales growth in Europe

New innovation centre in Ireland

Our new — and first-of-its-kind — innovation centre in Cork, Ireland will focus on the development of new technologies and products that improve patient safety and outcomes during surgery, and increase operating room efficiency across multiple surgical specialties, including neuro; spine; ear, nose and throat; and orthopaedics.

The centre, which features state-of-the-art prototyping, test facilities and a simulated operating room, has been constructed around human-centered design principles, employee well-being and a highly efficient and sustainable building design. Perhaps most

important, R&D teams and surgeons will be able to collaborate globally in the development and evaluation of new surgical approaches, product concepts and complete procedural solutions in the simulated surgical environment.

Our R&D infrastructure in Ireland is supported by long-standing and strong partnerships with Irish universities and medical schools. The centre's launch also coincides with our expanding global growth and the new

Transatlantic Operating Model with its focus on stronger engagement with European customers.

We established a presence in Ireland in 1998 and have since built a significant research and development competency and manufacturing capability there through a combination of innovative technology investments and strategic acquisitions.



Taking responsibility

\$1.1M

**in product and
financial contributions**

235+

**residents joined the international
surgical missions**

160+

**surgeries funded through the
Stryker Smiles campaign**

Stryker expands long-standing support of Operation Smile

Every child deserves access to safe, effective and timely surgical care and a future filled with hope. Since 1982, Operation Smile has provided over 240,000 free surgical procedures for children with cleft lips and cleft palates. As one of our charitable programs, we have provided Operation Smile with more than \$1.1 million in product and financial contributions to carry out its mission.

We support Operation Smile's Resident Leadership Program, through which more than 235 medical residents have had the opportunity to learn about and participate in Operation Smile's life-changing work. Participants have hailed from Argentina, Brazil, Canada, Colombia, Cyprus, Ecuador, Ghana, India, Israel, Jordan, Mexico, Nigeria, Peru, the Philippines, Russia, South Africa, Spain, Thailand, the U.K. and the U.S.

Over the years, we have also sponsored employees as non-medical mission volunteers. In 2015, we expanded this volunteer opportunity, sending a group of employees to join the Operation Smile team in Bolivia. The group, selected through a global application process, represented various geographies, businesses and roles within our company.

These volunteers played an integral role, supporting families as they navigated through the different stages of the mission—from registration to comprehensive medical evaluations to the day of surgery. The Bolivia

mission provided 115 patients with new smiles and gave their families hope for a brighter future. While the effect on the families is immediate and life-changing, our volunteer team also left with a profound appreciation of Operation Smile's importance and a deeper commitment to our company's mission of making healthcare better.

In support of the Bolivia mission, we championed the Stryker Smiles campaign, a fundraiser through which the company matched employee donations dollar-for-dollar. In total, the campaign raised funding for more than 160 surgeries.



Project 1000 educates young Japanese surgeons

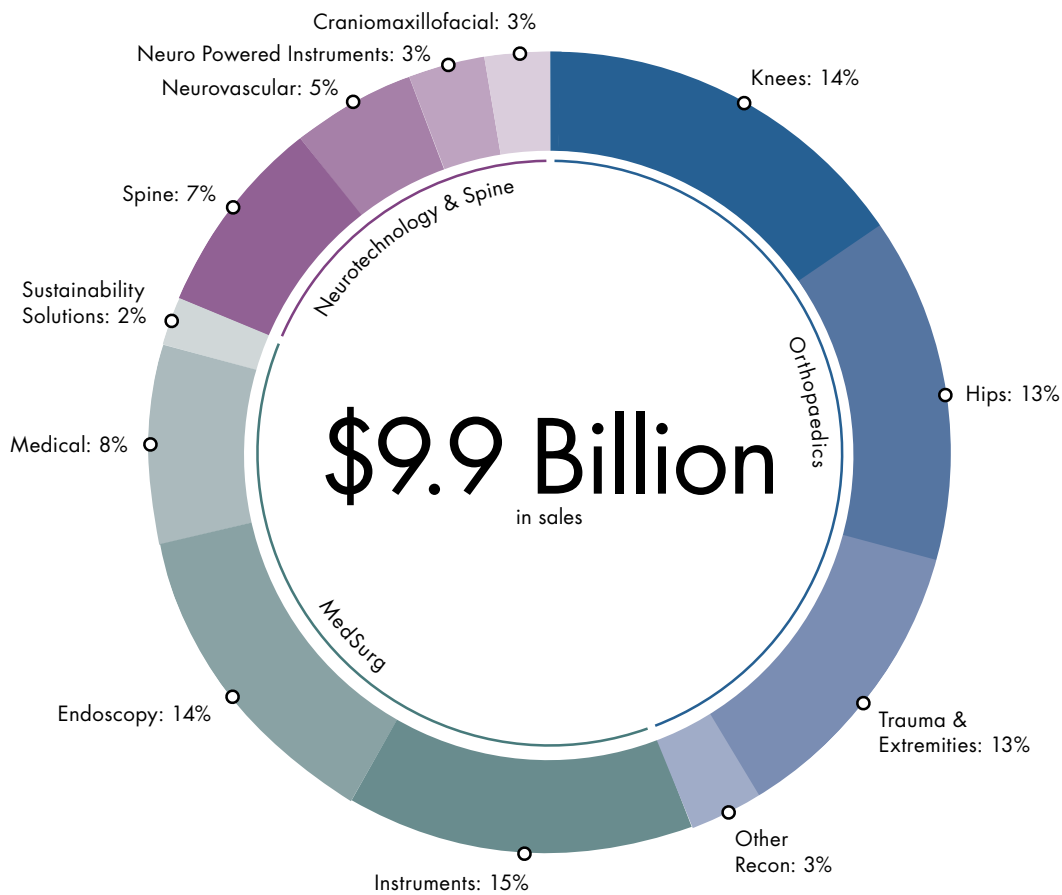
In 2015, Project 1000, a series of 13 educational events coordinated by our Trauma team in Japan, provided medical education to more than 1,000 surgeons on the different indications of IM nails or rods (Gamma3 and T2 nails), which are used to treat fractures of long bones through minimally invasive surgery.

The faculty included 41 key opinion leaders, who presented case studies and led discussions, giving advice to younger surgeons based on their vast experience. In total, the events attracted 1,186 attendants, and the satisfaction score exceeded 90 percent and achieved 100 percent at some events.

"In the Japanese market, young orthopaedic surgeons start their careers in trauma, so they're looking for opportunities to learn from experienced

surgeons," says Katsuya Kuroki, National Sales Senior Director, Trauma, Stryker Japan. "I believe Project 1000, a unique educational opportunity featuring leading surgeons in the market, is a great example of making healthcare better."

Leading in medtech



Orthopaedics | 43%

This segment includes knees; hips; robotics; trauma & extremities, including foot & ankle; and orthobiologics & biosurgery.

MedSurg | 39%

This segment includes instruments (bone-cutting & surgical accessories and computer-assisted surgery), endoscopy (minimally invasive surgical solutions and integration & connectivity), sports medicine, medical (beds, stretchers and emergency medical services equipment), and sustainability solutions (reprocessing and remanufacturing).

Neurotechnology & Spine | 18%

This segment includes spinal implants and interventional spine products; neurovascular; neuro powered instruments and craniomaxillofacial products.



Stryker's leadership team

Front row

Kevin A. Lobo

Chairman and Chief Executive Officer

Michael D. Hutchinson

General Counsel

Yin C. Becker

Vice President, Communications, Public Affairs and Strategic Marketing

Middle row

Bijoy S. N. Sagar

Vice President, Chief Information Officer

Katherine A. Owen

Vice President, Strategy and Investor Relations

Lonny J. Carpenter

Group President, Global Quality and Business Operations

M. Kathryn Fink

Vice President, Human Resources

Back row

David K. Floyd

Group President, Orthopaedics

Timothy J. Scannell

Group President, MedSurg and Neurotechnology

William R. Jellison

Vice President, Chief Financial Officer

Board of directors

(group photo, from left to right)

Roch Doliveux, D.V.M.† ‡

Former Chief Executive Officer and Chairman of the Executive Committee, UCB S.A.; Chairman, GLG Healthcare Institute; Chairman, Vlerick Business School

Louise L. Francesconi† ‡

Former President, Raytheon Missile Systems; Former Vice President, Raytheon Company; Chair, Tucson Medical Center HealthCare Board of Trustees; Director, UNS Energy Corporation

Allan C. Golston**

President, United States Program for the Bill & Melinda Gates Foundation

Kevin A. Lobo

Chairman and Chief Executive Officer, Stryker Corporation; Director, Parker Hannifin Corporation

William U. Parfet* † ‡

Former Chairman and Chief Executive Officer, MPI Research, Inc.; Director, Monsanto Company; Director, Taubman Centers, Inc.

Ronda E. Stryker†

Vice Chair and Director, Greenleaf Trust; Vice Chair, Spelman College; Trustee, Kalamazoo College; Member, Harvard Medical School Board of Fellows; Granddaughter of the Founder of the Company and Daughter of a Former President of the Company

Andrew K. Silvernail**

Chairman, President and Chief Executive Officer, IDEX Corporation; Trustee, Manufacturers Alliance for Productivity and Innovation

Howard E. Cox, Jr.**

Special Limited Partner, Greylock; Director Secretary, Defense Business Board; Member, Harvard Medical School Board of Fellows; Member, Investment Committees of the Dana Farber Cancer Institute, Partners Healthcare System, Inc., and the Boston Museum of Fine Arts

Srikant M. Datar, Ph.D.**

Arthur Lowes Dickinson Professor at the Graduate School of Business Administration, Harvard University; Director, Novartis AG; Director, ICF International, Inc.; Director, T-Mobile US, Inc.

* Lead Independent Director

** Audit Committee

† Compensation Committee

‡ Governance and Nominating Committee



Chairman emeritus

John W. Brown
Chairman Emeritus and
Former Chairman, President
and Chief Executive Officer

Other officers

The Stryker Leadership Team, who are also Corporate Officers, are pictured on page 17

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

David G. Furgason
VP, Tax

Elizabeth A. Staub
VP, Regulatory Affairs and
Quality Assurance

Bronwen R. Taylor
VP, Compliance and
Risk Management

Division presidents

Businesses

Xavier Berling
Trauma & Extremities

Wayne D. Dahlberg
Performance Solutions

William J. Huffnagle
Reconstructive

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

David A. Murphy
Canada

M. Brent Scott
Asia

Fabrizio Signorin
Latin America

Stuart Silk
Europe

With appreciation

The Board of Directors and Management recognize the distinguished careers and acknowledge the retirements of Jim Heath and Vivian Masson.



James N. Heath

Jim Heath, President, Instruments division, is retiring after 27 years of dedicated service. Mr. Heath began his career in 1988 as a sales trainer with Instruments. Throughout his career, Mr. Heath progressed through a range of sales and general management roles, culminating in his appointment as President of the Instruments division in 2008. During his six-year tenure as President, division sales grew globally from approximately \$1.2 billion

to \$1.8 billion. Mr. Heath led with humility, concern for others, a strong work ethic and tremendous performance orientation. He built strong teams and stressed delivering results but also emphasized the importance of family, health and well-being and active participation in the Kalamazoo community. Mr. Heath's efforts leave our powerful Instruments division well-positioned for continued success.



Vivian Masson

Vivian Masson, President, Trauma & Extremities division, is retiring after 27 years of dedicated service. Mr. Masson led the Mahwah, New Jersey-based division for 17 years; during his tenure, annual global sales grew from \$175 million to over \$1.2 billion, with 17 years of consecutive growth. Mr. Masson created an environment of R&D innovation, world-class manufacturing

facilities and sales execution excellence. Mr. Masson was integral to the acquisition of Memomental in 2011, which opened Stryker to the foot & ankle market, and the 2014 acquisition of Small Bone Innovations. We thank Mr. Masson for his years of dedication; he leaves the Trauma & Extremities organization well-positioned for future success.

Global recognition

Fortune World's Most Admired Companies in Medical Equipment

#5 in 2016; recipient for the 15th consecutive year

Gallup Great Workplace Award

Recipient for the eighth time in 2015

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

#21 in 2016; recipient for the sixth consecutive year

Great Place to Work – Canada & Mexico

#32 for Canada in 2015
#24 for Mexico in 2015

Fortune 500 Largest U.S.-Based Companies

#300 in 2015; joined the list in 2003

The Sunday Times 100 Best Companies to Work For

#32 in 2016; Stryker U.K. recipient for the 10th consecutive year

Glassdoor – Best Places to Work 2016

Employees' Choice Award Recipient for the third year

Women Engineer Magazine's 2015 Readers' Choice

#22 in 2015

2016 Best Workplaces – Manufacturing & Production

#4 out of 15 companies on the list

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, Public Affairs
and Strategic Marketing

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, April 27, 2016, 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 wanting a copy of the 2015 report may obtain it free of charge at www.stryker.com or request it 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, 3 Chip, CORE, Gamma3, Hoffmann, I.D. Touch, Mako, Stryker, T2, Together with our customers, we are driven to make healthcare better., Trevo, Triathlon. All other trademarks or service marks are trademarks or service marks of their respective owners or holders.

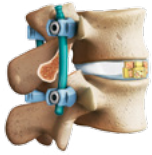
The products referenced within this review may not all be approved or cleared for sale, distribution or use in the United States.

Operation Smile is a registered trademark of Operation Smile, Inc.

Diversity and inclusion

Stryker values an inclusive work environment that hires and engages a talented and diverse workforce. Achieving the full potential of this diversity is a business priority that is fundamental to our competitive success. We encourage and expect each employee to embrace our commitment to an inclusive workplace that is free from any kind of discrimination, retaliation or bias.

To experience the online, interactive Annual Review with a video message from the Chairman and CEO, please visit www.stryker.com/2015.



Spine



Hips



Craniomaxillofacial



Knees



Medical



Neurovascular



**Neuro Powered
Instruments**



Trauma & Extremities



**Sustainability
Solutions**



Endoscopy



Instruments



Other Recon