



STRYKER ANALYST MEETING

September 2014

FORWARD LOOKING STATEMENT

Certain statements made in the presentation may contain information that includes or is based on forward-looking statements within the meaning of the federal securities law that are subject to various risks and uncertainties that could cause our actual results to differ materially from those expressed or implied in such statements. Such factors include, but are not limited to: weakening of economic conditions that could adversely affect the level of demand for our products; pricing pressures generally, including cost-containment measures that could adversely affect the price of or demand for our products; changes in foreign exchange markets; legislative and regulatory actions; unanticipated issues arising in connection with clinical studies and otherwise that affect U.S. Food and Drug Administration approval of new products; changes in reimbursement levels from third-party payors; a significant increase in product liability claims; the ultimate total cost with respect to the Rejuvenate and ABG II matter; the impact of investigative and legal proceedings and compliance risks; resolution of tax audits; the impact of the federal legislation to reform the United States healthcare system; changes in financial markets; changes in the competitive environment; our ability to integrate acquisitions; and our ability to realize anticipated cost savings as a result of workforce reductions and other restructuring activities. Additional information concerning these and other factors is contained in our filings with the U.S. Securities and Exchange Commission, including our Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

AGENDA

OVERVIEW

Kevin Lobo
Chairman and Chief Executive Officer

ORTHOPAEDICS

David Floyd
Group President, Orthopaedics

SPOTLIGHT ON INSTRUMENTS

Tim Scannell
Group President, MedSurg and Neurotechnology

GLOBAL QUALITY & OPERATIONS

Lonny Carpenter
Group President, Global Quality and Operations

SPOTLIGHT ON CHINA

Ramesh Subrahmanian
Group President, International

INVESTOR Q&A

MAKO PANEL

Moderator: David Floyd
Group President, Orthopaedics

PRODUCT FAIR

Orthopaedics Focus

MISSION

TOGETHER WITH OUR CUSTOMERS,
WE ARE DRIVEN
TO MAKE HEALTHCARE BETTER.

VALUES

INTEGRITY

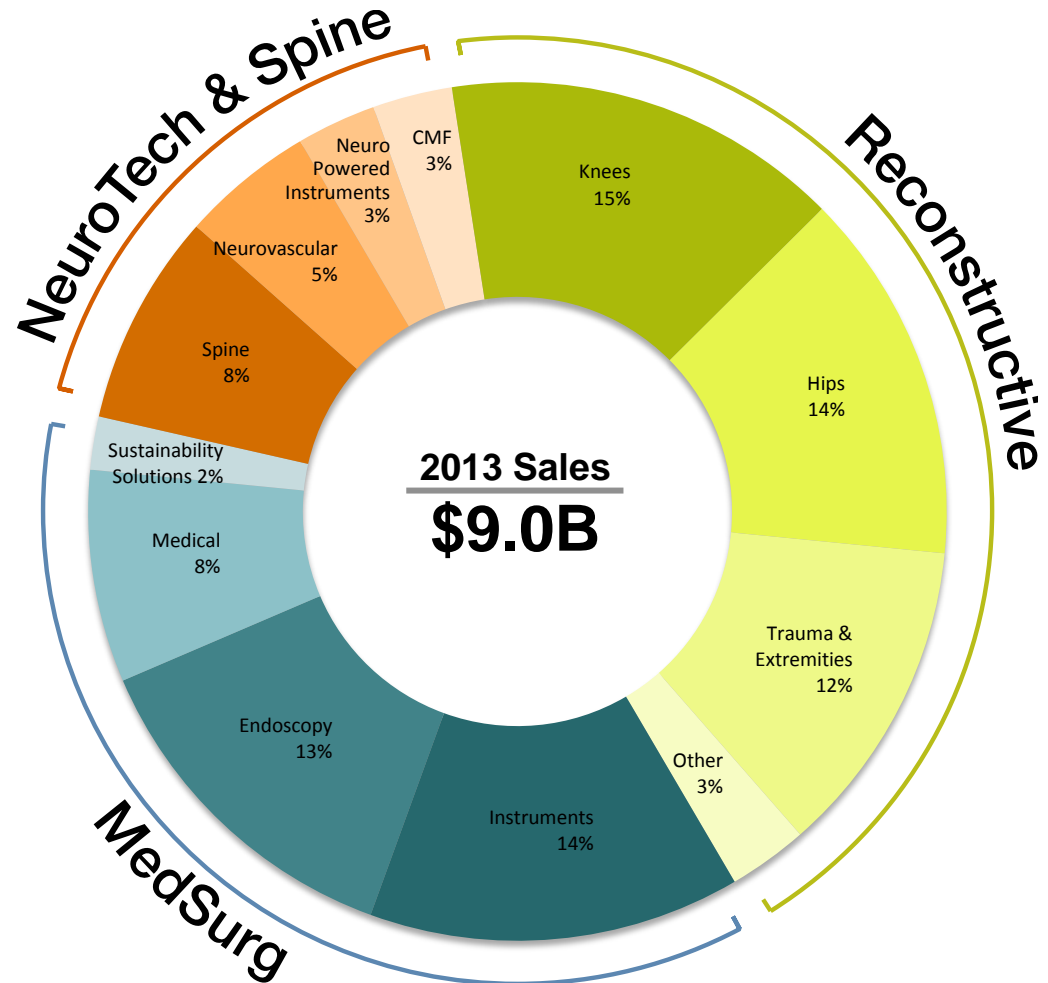
ACCOUNTABILITY

PEOPLE

PERFORMANCE

STRENGTH IN KEY HOSPITAL SERVICE LINES

- Strong market share and broad product offering in orthopaedics, neuro and specialty medical surgery
- Growth through dedicated businesses structured around physician specialties



FOCUSED ON INNOVATION

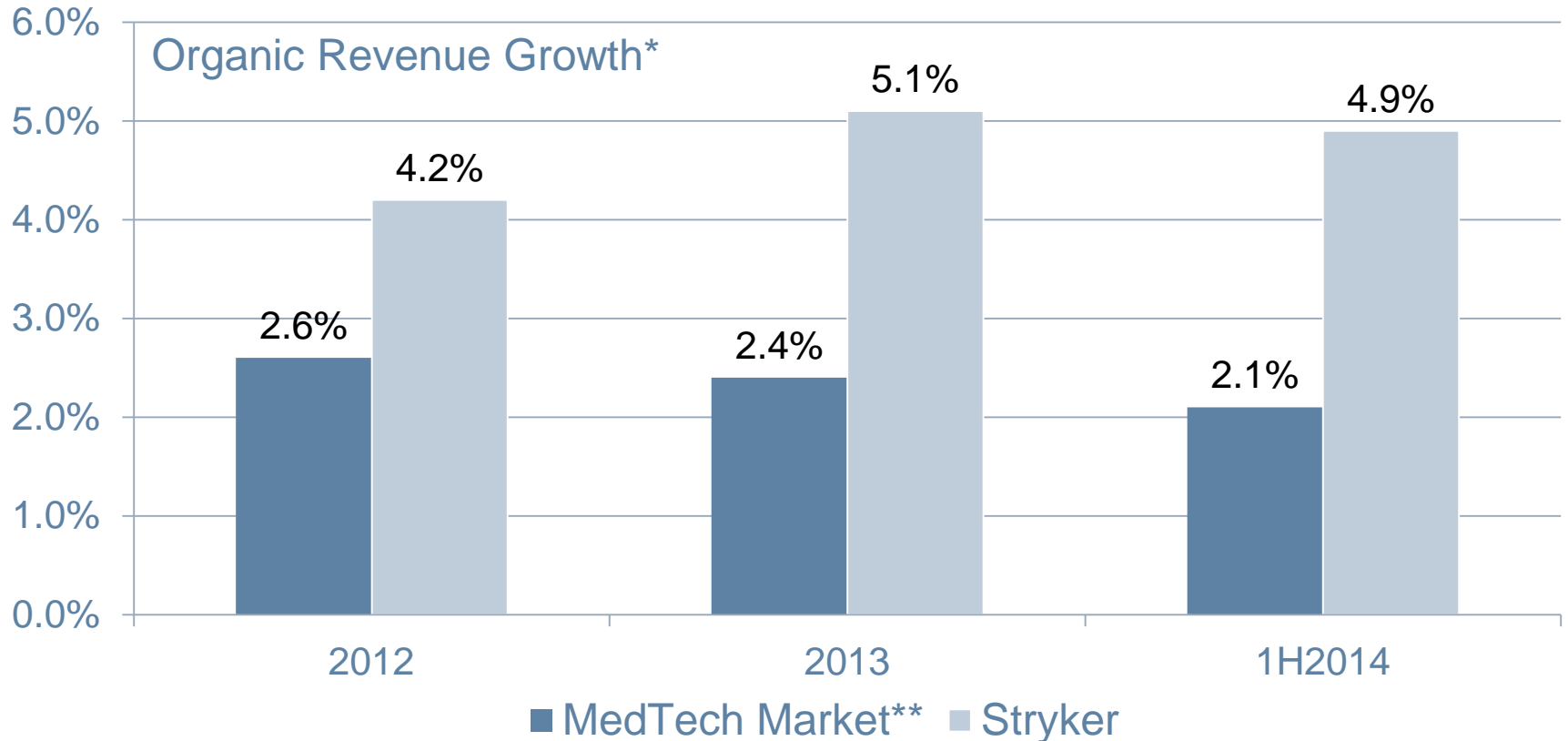
- Demonstrating commitment to internal innovation
- Driving innovation with products and services
- Commitment to improved outcomes & delivering greater cost savings/efficiencies
- Augmenting R&D with focused acquisitions



ACCELERATING GLOBAL GROWTH

- Building on momentum in Europe
- Entered the lower priced segment in China and expanding to other emerging market countries
- Expanding market coverage and optimizing go to market models in premium emerging markets

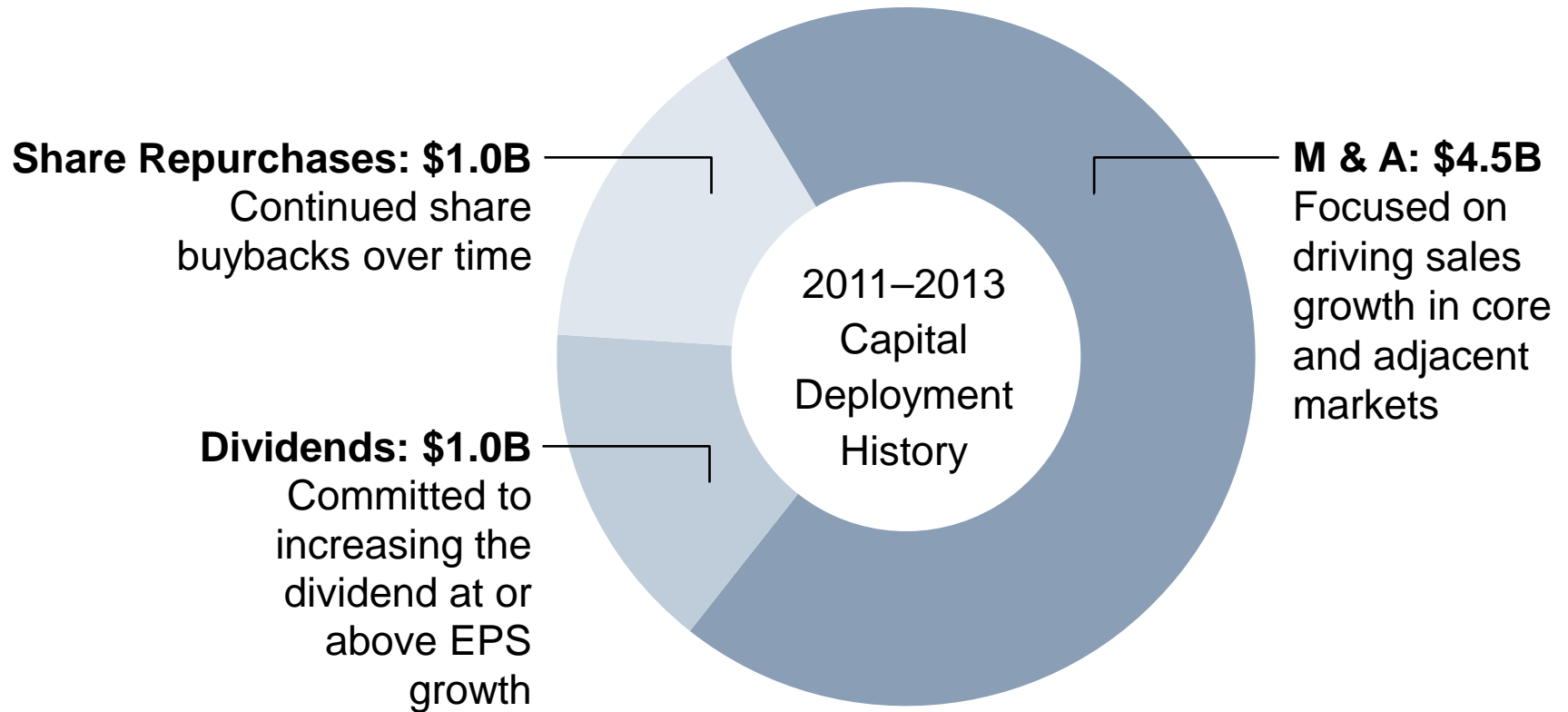
GROWTH AT THE HIGH END OF MEDTECH



* Organic revenue growth removes the impact of changes in foreign currency exchange rates, divestitures and the first twelve months of acquisition sales that affect the comparability and trend of sales.

**MedTech market growth is based on Company research of 20 companies

BALANCE SHEET STRENGTH



OPERATING LEVERAGE INITIATIVES

- Global Quality & Operations cost improvement initiatives
- G&A efficiencies
- European Regional Headquarters (RHQ)
- Information technology simplification

FINANCIAL TARGETS CONFIRMED

3Q2014

\$1.12 – 1.16 Adjusted diluted net earnings per share

FY2014

5.0 – 6.0% Organic sales growth

\$4.75 – 4.80 Adjusted diluted net earnings per share

FY2015

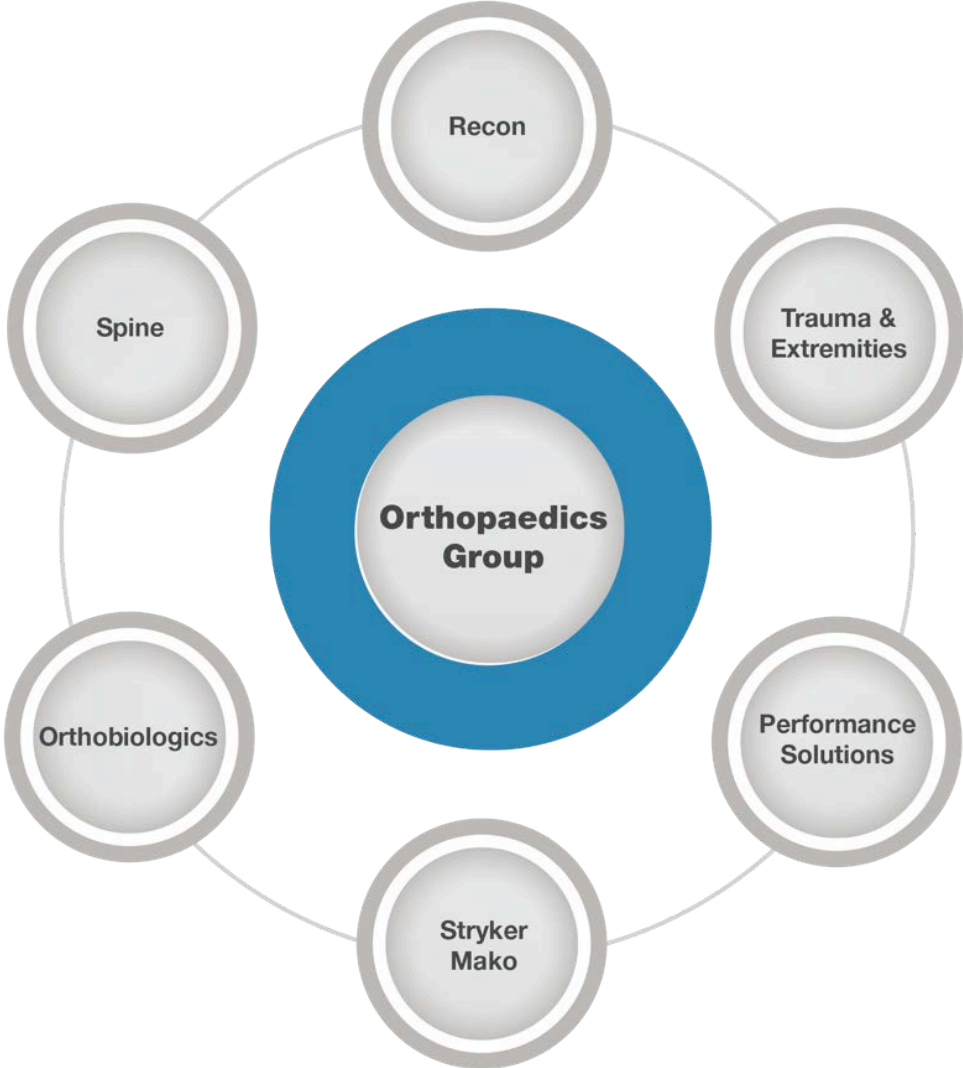
- Effective tax rate to improve by roughly two percentage points
- Plan to reinvest approximately half of the tax savings to accelerate our top line growth
- Expect an additional 5-8 cents per share improvement for 2015



David Floyd

Group President, Orthopaedics

ORTHOPAEDICS GROUP: A WORLD LEADER



KEY GROWTH DRIVERS


- Expand portfolio and specialty selling teams in high growth segments
- Drive Power Brands in Reconstructive
- Drive market adoption of robotic arm assisted surgery
- Focus on geographic expansion opportunities
- Focus Spine portfolio development on premium segments

LONG TERM POTENTIAL FOR ROBOTIC ARM ASSISTED SURGERY



ROBOTIC ARM ASSISTED SURGERY PORTFOLIO EXPANSION

- Cementless unicompartmental knee system to begin evaluations by early 2015
- Total knee arthroplasty IDE enrollment nearing completion, preparing regulatory submission for 2015 clearance
- Hip Power Brands accessible mid-year 2015 following software development and regulatory clearance
- X3 poly bearings available mid-year 2015

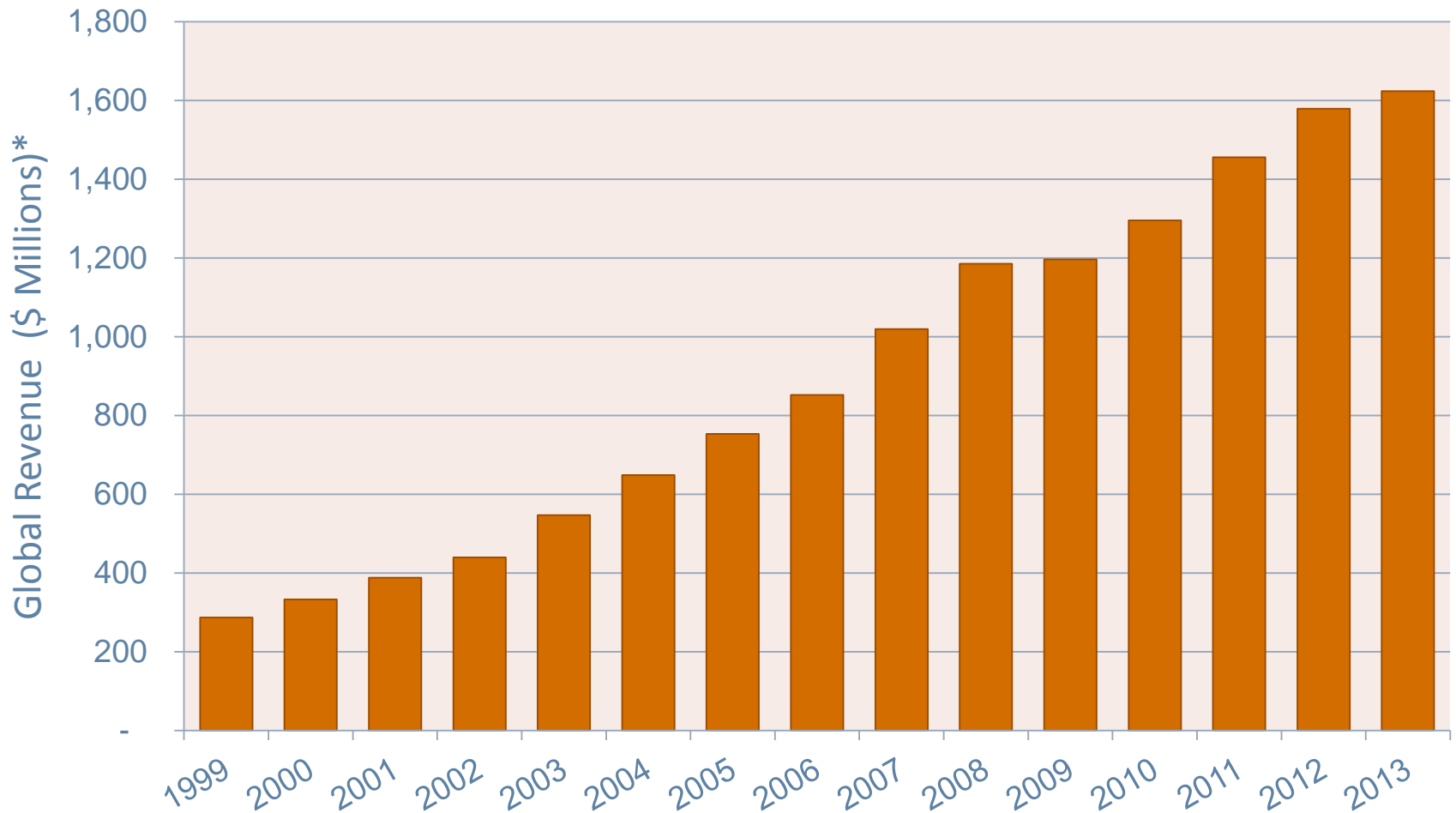


Tim Scannell

Group President, MedSurg and Neurotechnology

Spotlight On: Stryker Instruments

STRYKER INSTRUMENTS PERFORMANCE OVER TIME



STRYKER INSTRUMENTS

BUSINESS UNITS

Surgical

- Bone cutting
- Patient & caregiver safety
- Waste management
- Blood & wound management

Navigation

- Navigation systems for ortho, neuro, spine and ENT procedures
- Intraoperative patient imaging (partnership)

Service

- Repair: warranty, preventive maintenance & onsite
- Infection control: cleaners & detergents

Neuro Powered Instruments

- Bone cutting (high speed drills & Bone Mill)
- Ultrasonic soft tissue removal

Interventional Spine (IVS)

- Radiofrequency technology
- Vertebral compression fracture treatment
- Interventional radiology instrumentation

GROWTH PLATFORMS ENABLED THROUGH ACQUISITIONS

Sterishield (1994)



Neptune (2000)



SurgiCount (2014)



Sonopet (2010)

SONOPET



- 78% CAGR since acquisition in 2010
- Strong Stryker sales force execution and incremental R&D innovation has driven the growth
- Future plans include expansion of neurosurgery offering and building new innovations in adjacent specialties such as spine, plastics, and reconstructive surgery

STERISHIELD

- 17% CAGR since acquisition in 1994
- Future growth strategies include expanding our orthopaedic footprint and entering new surgical specialties
- Innovation will include focus on intraoperative communication and comfort technologies



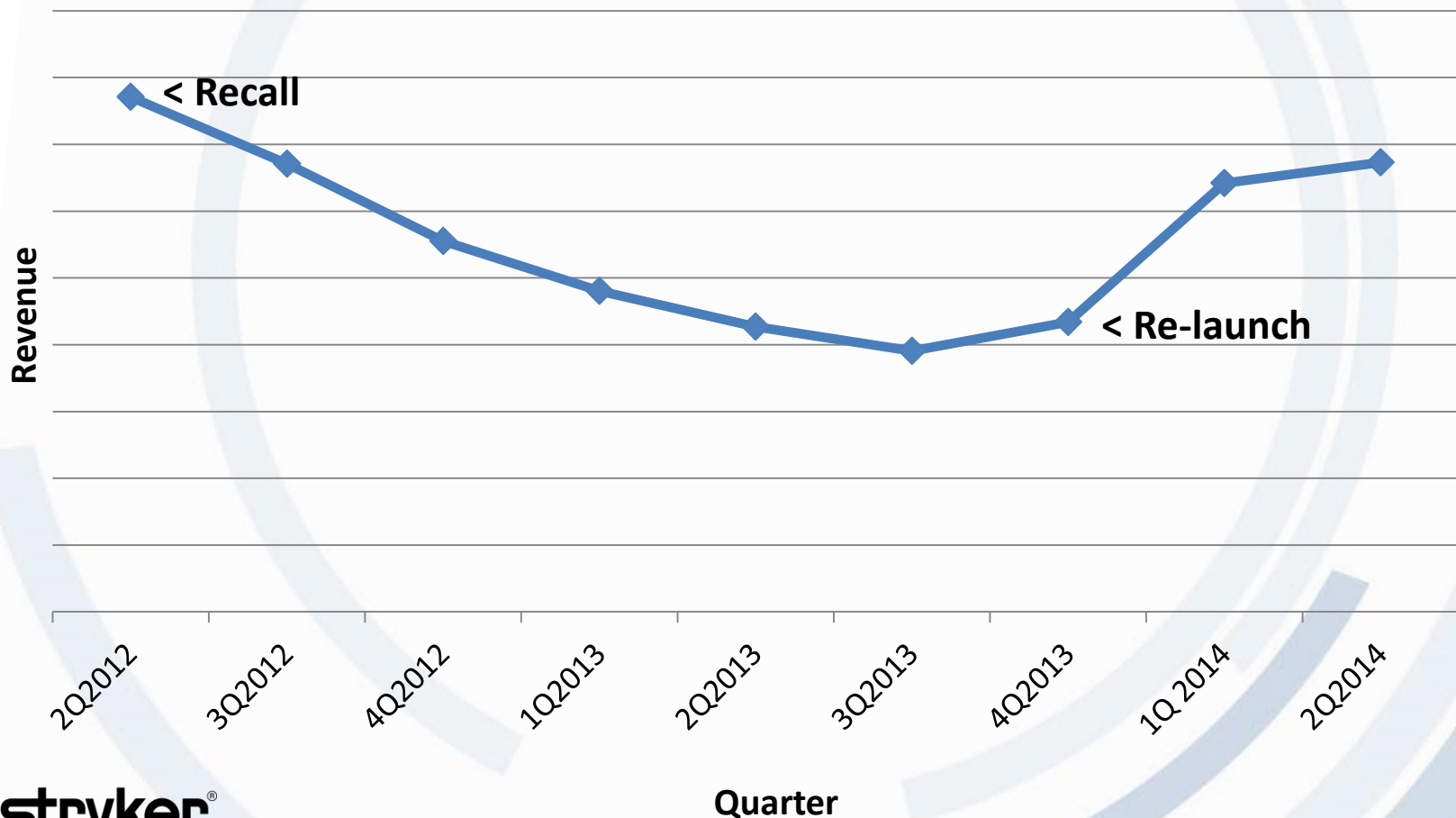
NEPTUNE



- 31% CAGR since acquisition in 2000
- Future plans include capturing lost share due to recall and further penetrating the fluid waste management market
- Innovations in this space will be aimed at improving the user experience and growing the disposable base business

NEPTUNE PERFORMANCE OVER LAST TWO YEARS

Neptune Waste Management



NEPTUNE 2 CUSTOMER EDUCATION



Surgical Suction Academy



stryker

THANK YOU



Together our commitment to surgical safety has never been stronger

Neptune²
Waste Management System

Our commitment to **surgical safety** has never been stronger.

This kit contains training options on the most recent upgrades to the Neptune 2 system, as well as, new user training for those who are just learning how to operate the device. We also have included a PowerPoint version for both the new user and upgrade training modules, optional attendance log sheets and competency quiz.



Neptune²

Waste Management System

Training Kit

DVD contains

Neptune 2

- Upgrade Training Module & PowerPoint
- New User Training Module (LMS versions included) & PowerPoint
- PowerPoint "How To" Reference Sheet
- Upgrade Quick Reference Guide
- Sample Competency Exam
- Sample Training Attendance Log

stryker

DVD contains

Neptune 2

- Upgrade Training Module & PowerPoint
- Upgrade Quick Reference Guide
- Sample Competency Exam

John Pivoe
Vice President, Sales
Surgical
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SURGICOUNT SAFETY-SPONGE SYSTEM

SurgiCounter



- Small mobile device designed for hands-free use
- Rests in small docking station with extra battery

Safety-Sponges



- Unique, barcode label, permanently fused to each Safety-Sponge
- Master Tag allows all Safety-Sponges to be tracked with a simple scan

SurgiCount360



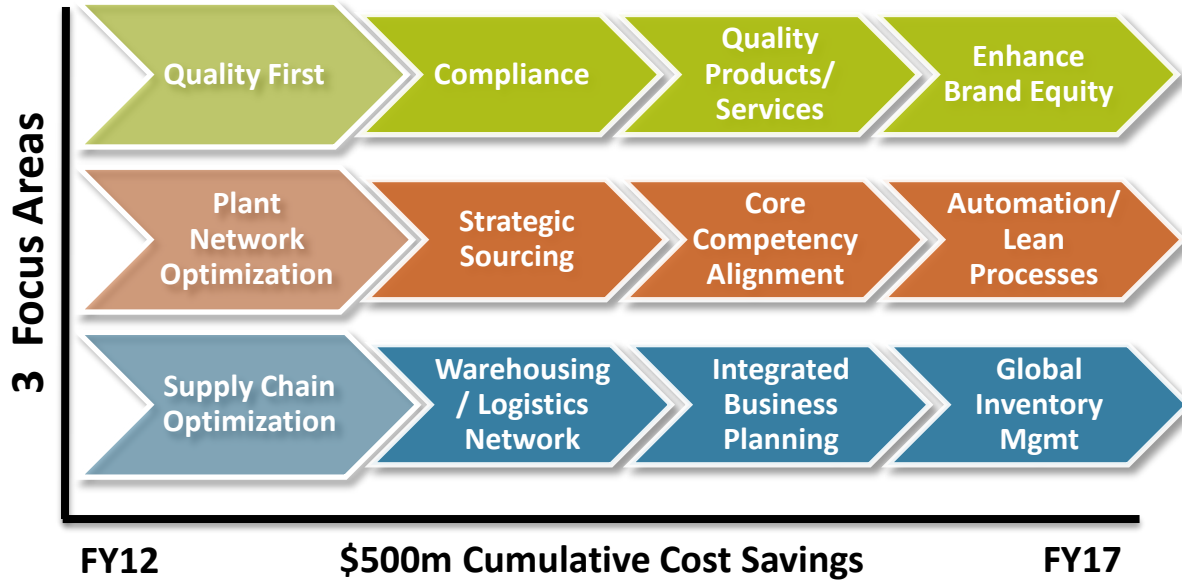
- Backend database that organizes reports by service, campus, and date
- E-mail alerts for exceptions



Lonny Carpenter

Group President, Global Quality
and Operations

GQ&O COST IMPROVEMENT INITIATIVES ON TRACK



- Quality 1st culture continues to strengthen
- Global sourcing is driving leverage
- Reduction of warehousing and logistics costs continues
- Plant network optimization in early stages
- Efficient integration of acquisitions
- Annual COGS reduction trend continues

EUROPEAN REGIONAL HEADQUARTERS



STRYKER IN EUROPE

- \$1B sales / growing
- 12 manufacturing facilities (France/Ireland/Germany/Switzerland)
- Over 6,000 employees
- Central distribution center in Venlo, Netherlands
- **Opened regional headquarters (RHQ) in Amsterdam**



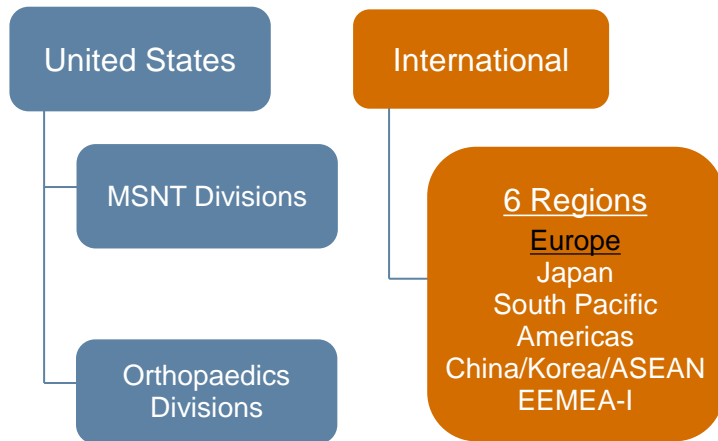
RHQ OBJECTIVES

- Continue to strengthen Europe
- Increased financial leverage
- Enable the Trans-Atlantic Operating Model

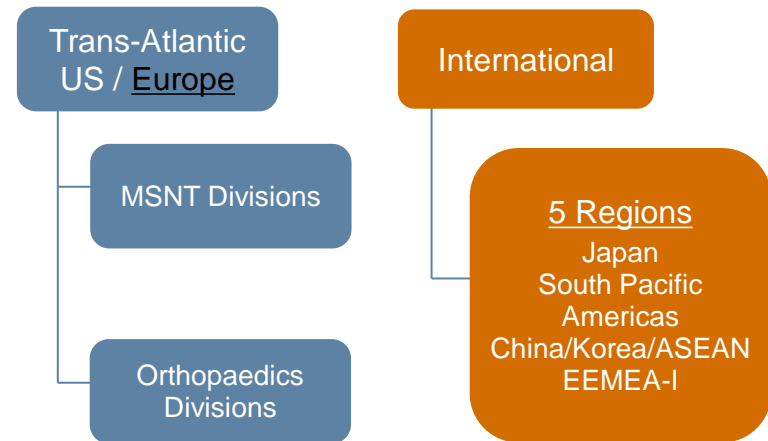


TRANS-ATLANTIC OPERATING MODEL

HISTORICAL



2015



Operating Model

- All businesses within MSNT and Orthopaedics
- Full P&L responsibility for United States / Europe
- Strong Europe & country shared service structure

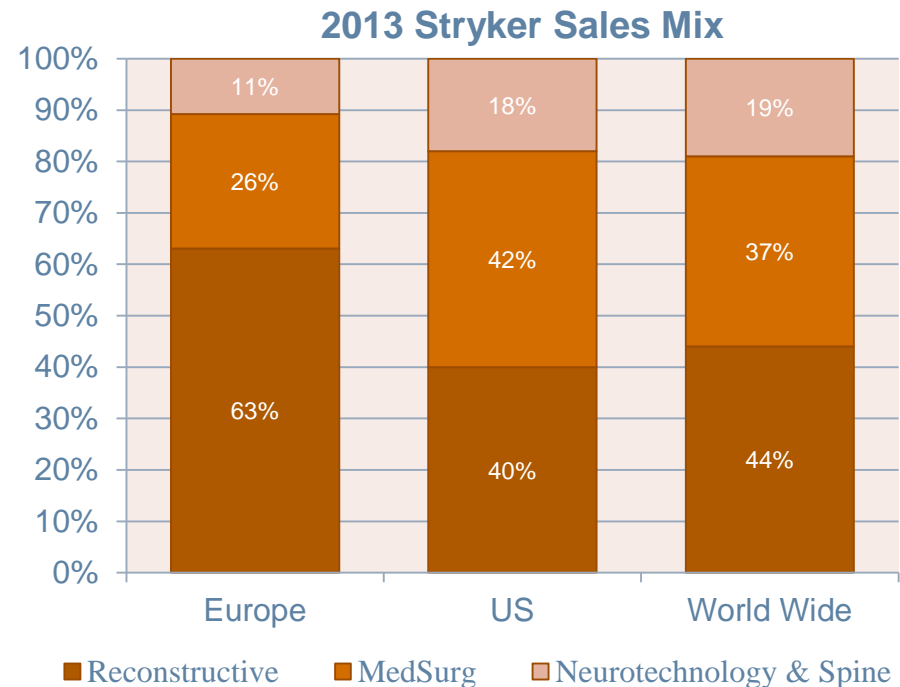
Objectives

- Optimize go to market model
- Expand market coverage
- Accelerate growth

DRIVING GROWTH IN EUROPE

Stryker's lower market share positions in Europe are an exciting growth opportunity for our business

Significant potential in MedSurg and Neurotechnology



A woman with dark hair tied back, wearing a light purple lab coat, is looking down at something in her hands. The background is a blurred laboratory or industrial setting with blue structural elements. A white curved banner is overlaid on the bottom half of the image.

Ramesh Subrahmanian

Group President, International

Spotlight On: China

CHINA: WORLD'S 2ND LARGEST MED TECH MARKET BY 2020

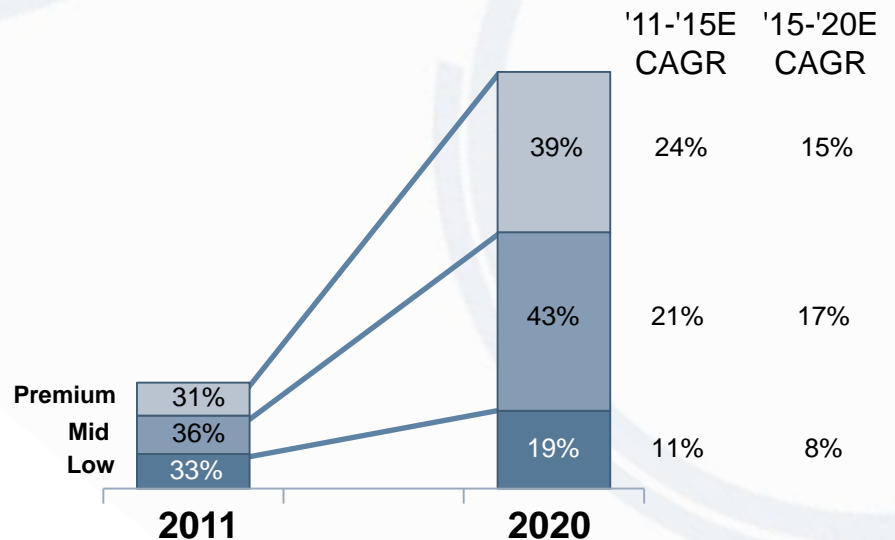
AN EVOLVING LANDSCAPE

- Healthcare, regulatory reforms drive market growth, especially mid-tier segment

CHINA MEDICAL TECHNOLOGY MARKET

- China is currently the 4th largest market in the world
- By 2020 will become the 2nd largest market after the US
- Overall growth rate of ~14% to 2020
- Mid-tier segment cannot be ignored

DISTINCT MARKET SEGMENTS IN CHINA



STRYKER WELL POSITIONED TO TAKE ADVANTAGE OF CHINA MARKET GROWTH

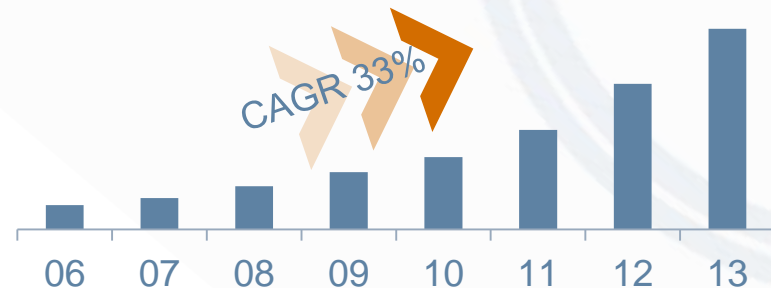
STRYKER IN CHINA

- Over 2,000 employees
- Stryker China expanding sales force, distribution reach (premium segment)
- Trauson brand, distribution network strong in mid-tier market segment
- 3 manufacturing facilities:
 - Suzhou (Stryker brand - 1)
 - Changzhou (Trauson brand - 2)
- Trauson R&D facility in Changzhou

STRYKER STRATEGY

- Leverage Stryker premium portfolio across franchises for leadership
- Grow mid-tier segment presence through Trauson brand and low cost business model

STRYKER IN CHINA HISTORICAL GROWTH



WIN IN PREMIUM MARKET: STRYKER CHINA

EXPAND MARKET COVERAGE

- Currently 40% market coverage
- Target full coverage of 37 key cities by 2015 (60% coverage)
- Target 80% coverage by 2020
- Expand sales force > 30% per annum



OPTIMIZE GO TO MARKET MODEL

- Regional hubs, dealer structures
- Invest in marketing, account management

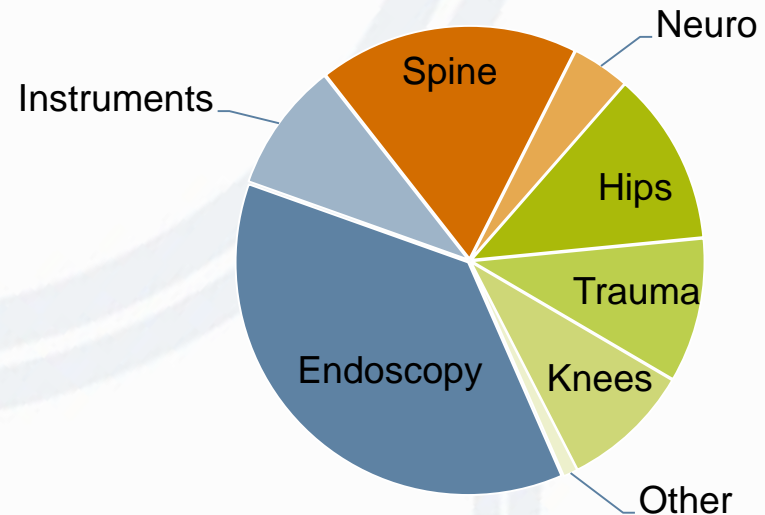
WIN IN PREMIUM MARKET: STRYKER CHINA

PREMIUM PORTFOLIO DEVELOPMENT

- Develop products specifically for Chinese anatomy
- Tiered product portfolio
- Product life cycle extension
- China for China manufacturing



BROAD PORTFOLIO (Leverage Leading Position in Endoscopy)

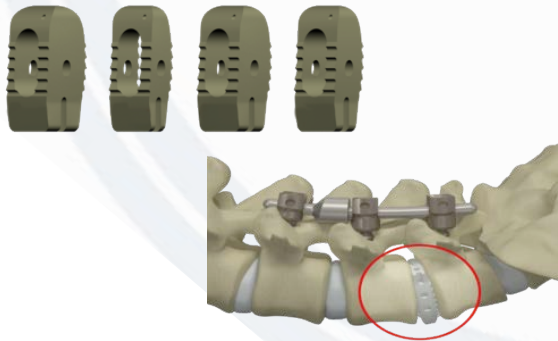


INVEST IN EDUCATION & TRAINING

- Mobile training centers – takes training to customers

ENHANCE SERVICE CAPABILITY

TRAUSON - PLATFORM TO WIN IN MID-TIER SEGMENT



SUCCESSFUL INTEGRATION – MAINTAINED BUSINESS MOMENTUM

- Key integration milestones achieved on time
- Key talent retained
- Leading domestic player in trauma and spine, growing ahead of market (46% growth YTD 2014)

PORTFOLIO AND R&D FOCUS

- Continue to evolve trauma and spine portfolio
- Assessing opportunities in broader reconstructive market
- Leverage low cost domestic manufacturing capabilities



TRAUSON - PLATFORM TO WIN IN MID-TIER SEGMENT

PLANS

- Launch Trauson brand in other emerging markets
- Continue expansion in China
- Assessing expansion of Trauson into broader recon mid-tier market segment

INTERNATIONAL LAUNCHES 2014

- Malaysia
- Turkey
- South Africa
- Vietnam
- Russia
- Thailand
- Colombia
- Mexico



STRYKER ANALYST MEETING

Closing remarks

STRYKER ADVANTAGE

- Strength in key hospital service lines
- Focused on innovation
- Accelerating global growth
- Balance sheet strength
- Opportunities to drive meaningful operational leverage

Q & A

MAKO SURGEON PANEL

Moderator

David Floyd

Group President, Orthopaedics



PANELISTS

Robert C. Cohen

Vice President and General Manager of Stryker Mako

David J. Jacofsky, MD

Chairman of The Center for Orthopaedic Research and Education

Robert C. Marchand, MD

Partner, South County Orthopaedics and Physical Therapy, Inc.

Douglas E. Padgett, MD

Chief of the Adult Reconstruction and Joint Replacement Service,
Hospital for Special Surgery



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