

STRYKER CORP
Form 8-K
December 19, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) **December 19, 2008**

STRYKER CORPORATION

(Exact name of registrant as specified in its charter)

Michigan
(State or other jurisdiction
of incorporation)

0-9165
(Commission File Number)

38-1239739
(IRS Employer
Identification No.)

2825 Airview Boulevard, Kalamazoo, Michigan
(Address of principal executive offices)

49002
(Zip Code)

Registrant's telephone number, including area code **269.385.2600**

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

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| ITEM 2.02 | RESULTS OF OPERATIONS AND FINANCIAL CONDITION |
|-----------|---|

Stryker Corporation (the Company) issued a press release on December 19, 2008 announcing it reduced its 2008 guidance. A copy of this press release is attached hereto as Exhibit 99.1.

In its press release, the Company made references to the following financial measures: "constant currency," "adjusted diluted net earnings per share" and "adjusted diluted net earnings per share from continuing operations." These financial measures are an alternative representation of the Company's past and potential future operational performance and do not replace the presentation of the Company's reported financial results under U.S. generally accepted accounting principles (GAAP). The Company has provided these supplemental non-GAAP financial measures because they provide meaningful information regarding the Company's results on a consistent and comparable basis for the periods presented. Management uses these non-GAAP financial measures for reviewing the operating results of its business segments, for analyzing potential future business trends in connection with its budget process and bases certain annual bonus plans on these non-GAAP financial measures. In order to measure the Company's sales performance on a constant currency basis, it is necessary to remove the impact of changes in foreign currency exchange rates which affects the comparability and trend of sales. Constant currency results are calculated by translating current year results at prior year average foreign currency exchange rates. In order to measure the Company's earnings performance on a consistent and comparable basis, the Company excludes the restructuring charge to be recorded in the fourth quarter of 2008 and the intangible asset impairment charge recorded in the second quarter of 2007, both of which affect the comparability of operating results and the trend of earnings. In addition, the Company believes investors will utilize this information to evaluate period-to-period results on a comparable basis and to better understand potential future operating results. The Company encourages investors and other users of these financial statements to review its consolidated financial statements and other publicly filed reports in their entirety and not to rely solely on any single financial measure.

The reconciliation of projected reported diluted net earnings per share to adjusted diluted net earnings per share before the restructuring charge for the year ended December 31, 2008 is as follows:

| | | | |
|---|--------|-------|--------|
| Projected results: | | Range | |
| Reported diluted net earnings per share of common stock | \$2.77 | to | \$2.79 |
| Restructuring charge | \$.05 | | \$.05 |
| Adjusted diluted net earnings per share of common stock | \$2.82 | to | \$2.84 |
| Weighted-average diluted shares outstanding (in millions) | 413.3 | | 413.3 |

The reconciliation of reported diluted net earnings per share from continuing operations to adjusted diluted net earnings per share from continuing operations before the intangible asset impairment for the year ended December 31, 2007 is as follows:

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|--|--------|
| Reported diluted net earnings per share of common stock from continuing operations | \$2.37 |
| Intangible asset impairment | \$.03 |
| Adjusted diluted net earnings per share of common stock from continuing operations | \$2.40 |
| Weighted-average diluted shares outstanding (in millions) | 417.2 |

The weighted-average diluted shares outstanding used in the calculation of these non-GAAP financial measures are the same as the weighted-average diluted shares outstanding used in the calculation of the reported per share amount.

The press release also contains 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 the Company's actual results to differ materially from those expressed or implied in such statements. Such factors include, but are not limited to: further weakening of the economy; changes in foreign exchange markets; pricing pressures generally, including cost-containment measures that could adversely affect the price of or demand for the Company's products; regulatory actions; changes in reimbursement levels from third-party payors; a significant increase in product liability claims; changes in financial markets; and changes in the competitive environment. Additional information concerning these and other factors is contained in the Company's filings with the United States Securities and Exchange Commission, including the Company's Annual Report on Form 10-K and Quarterly Reports on Form 10-Q.

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| ITEM 9.01 | FINANCIAL STATEMENTS AND EXHIBITS |
| (d) | Exhibits |
| | 99.1 Press release dated December 19, 2008 |

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

STRYKER CORPORATION

(Registrant)

December 19, 2008

/s/ CURT R. HARTMAN

Date

Curt R. Hartman

Vice President, Finance