



Stryker Announces Acquisition of Sightline Technologies Ltd.

KALAMAZOO, Mich., March 20, 2006 -- Stryker Corporation (NYSE: SYK) announced today that it has acquired all of the outstanding stock of Sightline Technologies Ltd. (Sightline), a private development stage company based in Haifa, Israel. Terms of the transaction include an upfront payment of \$50 million in cash plus the assumption of certain liabilities. Stryker has also agreed to make milestone payments of up to an additional \$90 million upon the achievement of certain operational and financial targets related to Sightline's products, the first of which is not expected to occur before 2007. Sightline, a developer of flexible endoscopes for the gastrointestinal (GI) and other markets, has developed a technology that should improve insertion and sterilization during colonoscopy procedures.

The transaction will result in an estimated first quarter 2006 after-tax charge of approximately \$53 million, or \$0.13 per diluted share, reflecting the write-off of in-process research and development costs. Excluding the write-off of in-process research and development costs, Stryker reaffirms its adjusted diluted net earnings per share guidance of \$2.02 for the year ended December 31, 2006, despite anticipated additional spending to further develop the Sightline products in 2006.

"Stryker is a leader in the rigid endoscopy market. This acquisition allows us to apply our core competencies in visualization technology and sales and marketing to the flexible endoscopy market. Additionally, Sightline will potentially open up new markets for our Communications and Video Accessories businesses," stated Bill Enquist, President of Stryker Global Endoscopy.

Avi Levy, Chief Executive Officer of Sightline, stated that "Stryker is dedicated to providing world-class care to patients. With Sightline's products, Stryker will continue to set the bar for innovative products by bringing new, patient-friendly technology to the GI marketplace backed by the Stryker name and service reputation."

Stryker Corporation is one of the world's leading medical technology companies with the most broadly based range of products in orthopaedics and a significant presence in other medical specialties. Stryker works with respected medical professionals to help people lead more active and more satisfying lives. The Company's products include implants used in joint replacement, trauma, craniomaxillofacial and spinal surgeries; biologics; surgical, neurologic, ear, nose & throat and interventional pain equipment; endoscopic, surgical navigation, communications and digital imaging systems; as well as patient handling and emergency medical equipment. Stryker also provides outpatient physical therapy services in the United States.

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