Stryker 4th-quarter profit drops nearly 4 percent

The Associated Press

Stryker Corp. said Tuesday its fourth-quarter profit fell about 4 percent, as a $124-million impairment charge and a jump in selling, general and administrative expenses weighed on the medical device maker's performance.

The Kalamazoo, Mich., company earned $295 million, or 74 cents per share, in the three months that ended Dec. 31. That compares to earnings of $306 million, or 76 cents per share, in the fourth quarter of 2009.

Adjusted earnings, which exclude one-time items, were 93 cents per share.

The company's revenue grew 9 percent to $1.99 billion. Domestic sales helped boost revenue by climbing 11 percent to about $1.28 billion. By product line, orthopedic implant sales rose 4.5 to $1.16 billion.

Analysts polled by FactSet expected, on average, earnings of 91 cents per share on $1.98 billion in revenue. Analysts normally exclude one-time items from their estimates.

Stryker said it took the impairment charge in the quarter to reflect an anticipated loss on the previously announced sale of assets used in orthopedic bone applications.

The company's selling, general and administrative expenses climbed 17 percent to $734 million.

For 2010, the company earned $1.27 billion, or $3.19 per share, on $7.32 billion in sales. Adjusted earnings were $3.33 per share.

Stryker said it expects adjusted earnings per share to range from $3.65 to $3.73 in 2011. That would represent an increase of between 10 percent and 12 percent compared to 2010. Analysts expect earnings of $3.69 per share.

The company's shares fell 88 cents to $57.49 in after-hours trading.

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