

STRYKER CORP
Form 8-K
May 01, 2014

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): April 28, 2014

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)

(269) 385-2600

(Registrant's Telephone Number, Including Area Code)

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 (*see* General Instruction A.2. below):

- .. 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))

ITEM 1.01 ENTRY INTO A MATERIAL DEFINITIVE AGREEMENT

On May 1, 2014, Stryker Corporation (the Company) completed a public offering of \$600 million aggregate principal amount of its 3.375% Notes due 2024 (the 2024 Notes) and \$400 million aggregate principal amount of its 4.375% Notes due 2044 (the 2044 Notes and, together with the 2024 Notes, the Notes). The Notes were offered by the Company pursuant to its Automatic Shelf Registration Statement on Form S-3 (File No. 333-186593) and the Prospectus included therein, filed with the Securities and Exchange Commission on February 28, 2013 and supplemented by the Prospectus Supplement dated April 28, 2014.

The Company entered into an Underwriting Agreement, dated April 28, 2014 (the Underwriting Agreement) among the Company and Barclays Capital Inc., Goldman, Sachs & Co. and Wells Fargo Securities, LLC, as representatives of the underwriters named therein (together, the Underwriters), in connection with the issuance and sale by the Company of the Notes. Pursuant to the Underwriting Agreement, the Company agreed to sell the Notes to the Underwriters, and the Underwriters agreed to purchase the Notes for resale to the public. The Underwriting Agreement includes customary representations, warranties and covenants by the Company. It also provides for customary indemnification by each of the Company and the Underwriters against certain liabilities and customary contribution provisions in respect of those liabilities.

The Notes were issued under an Indenture, dated January 15, 2010 (the Base Indenture), between the Company and U.S. Bank National Association, as trustee (the Trustee), as supplemented by the Sixth Supplemental Indenture and Seventh Supplemental Indenture, each dated May 1, 2014, and each between the Company and the Trustee (together, the Supplemental Indentures, and the Base Indenture as so supplemented, the Indenture). The 2024 Notes will bear interest at a rate of 3.375% per year and the 2044 Notes will bear interest at a rate of 4.375% per year. Interest on the Notes is payable on May 15 and November 15 of each year, commencing on November 15, 2014. The 2024 Notes will mature on May 15, 2024 and the 2044 Notes will mature on May 15, 2044. Upon 30 days notice to holders of the Notes, the Company may redeem the Notes for cash in whole, at any time, or in part, from time to time, prior to maturity, at redemption prices that include accrued and unpaid interest and a make-whole premium, as specified in the Indenture. However, no make-whole premium will be paid for redemptions of the 2024 Notes on or after February 15, 2024 or of the 2044 Notes on or after November 15, 2043.

The public offering price of the 2024 Notes was 99.124% of the principal amount and the public offering price of the 2044 Notes was 99.551% of the principal amount. The Company expects to receive net proceeds of approximately \$983.9 million, after deducting the underwriting discount and estimated expenses. The Company intends to use the net proceeds from the offering for refinancing of indebtedness, including \$200.0 million of existing commercial paper at its maturity and all of the Company's 3.00% Notes due January 15, 2015 at their maturity, working capital and other general corporate purposes, including acquisitions, stock repurchases and other business opportunities.

The Company may issue additional debt from time to time pursuant to the Indenture. The Indenture contains covenants that limit the Company's ability to, among other things, incur certain liens securing indebtedness, engage in certain sale and leaseback transactions, and enter into certain consolidations, mergers, conveyances, transfers or leases of all or substantially all of the Company's assets. Subject to certain limitations, in the event of the occurrence of both (1) a change of control of the Company and (2) a downgrade of the Notes below investment grade rating by both Moody's Investors Services, Inc. and Standard & Poor's Ratings Services within a specified time period, the Company will be required to make an offer to purchase the Notes at a price equal to 101% of the principal amount of the Notes, plus accrued and unpaid interest to the date of repurchase.

The foregoing description of the Underwriting Agreement, Base Indenture and Supplemental Indentures does not purport to be complete and is qualified in its entirety by reference to the full text of such documents, which are filed as Exhibits 1.1, 4.1, 4.2 and 4.3 hereto, respectively, and incorporated herein by reference.

The Underwriters and their affiliates have performed, from time to time, and may in the future perform, various investment banking, commercial lending, financial advisory and other services for the Company for which they received or will receive customary fees and expenses.

ITEM 2.03 CREATION OF A DIRECT FINANCIAL OBLIGATION OR AN OBLIGATION UNDER AN OFF-BALANCE SHEET ARRANGEMENT OF A REGISTRANT

The information set forth in Item 1.01 above with respect to the Notes is hereby incorporated by reference into this Item 2.03, insofar as it relates to the creation of a direct financial obligation.

ITEM 9.01 FINANCIAL STATEMENTS AND EXHIBITS

The agreements included as exhibits to this Current Report on Form 8-K contain representations and warranties by each of the parties to the applicable agreement. These representations and warranties were made solely for the benefit of the other parties to the applicable agreement and (i) were not intended to be treated as categorical statements of fact, but rather as a way of allocating the risk to one of the parties if those statements prove to be inaccurate; (ii) may have been qualified in such agreement by disclosures that were made to the other party in connection with the negotiation of the applicable agreement; (iii) may apply contract standards of materiality that are different from materiality under the applicable securities laws; and (iv) were made only as of the date of the applicable agreement or such other date or dates as may be specified in the agreement.

The Company acknowledges that, notwithstanding the inclusion of the foregoing cautionary statements, it is responsible for considering whether additional specific disclosures of material information regarding material contractual provisions are required to make the statements in this Current Report on Form 8-K not misleading.

(d) Exhibits

- 1.1 Underwriting Agreement, dated April 28, 2014, between Stryker Corporation and Barclays Capital Inc., Goldman, Sachs & Co. and Wells Fargo Securities, LLC, as representatives of the underwriters named therein.
- 4.1 Indenture, dated January 15, 2010, between Stryker Corporation and U.S. Bank National Association. Incorporated by reference to Exhibit 4.1 to the Company's Form 8-K, dated January 15, 2010 (Commission File No. 000-09165).
- 4.2 Sixth Supplemental Indenture (including the form of 2024 note), dated May 1, 2014, between Stryker Corporation and U.S. Bank National Association.
- 4.3 Seventh Supplemental Indenture (including the form of 2044 note), dated May 1, 2014, between Stryker Corporation and U.S. Bank National Association.
- 5.1 Opinion Letter of Skadden, Arps, Slate, Meagher & Flom LLP regarding the validity of the Notes.
- 5.2 Opinion Letter of Warner Norcross & Judd LLP regarding the validity of the Notes.
- 12.1 Statement of Computation of Ratio Earnings to Fixed Charges.
- 23.1 Consent of Skadden, Arps, Slate, Meagher & Flom LLP (included as part of Exhibit 5.1)
- 23.2 Consent of Warner Norcross & Judd LLP (included as part of Exhibit 5.2)

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)

Date: May 1, 2014

/s/ William R. Jellison
William R. Jellison
Vice President, Chief Financial Officer

Exhibit Index

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4.2	Sixth Supplemental Indenture (including the form of 2024 note), dated May 1, 2014, between Stryker Corporation and U.S. Bank National Association.
4.3	Seventh Supplemental Indenture (including the form of 2044 note), dated May 1, 2014, between Stryker Corporation and U.S. Bank National Association.
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