

State-of-the-art medical technology
still needs a highly skilled pair of
hands to use it.



Supporting healthcare professionals for over 150 years



JP Morgan Healthcare Conference

14 January 2014

Forward looking statements

This document contains certain forward-looking statements that may or may not prove accurate. For example, statements regarding expected revenue growth and trading margins, market trends and our product pipeline are forward-looking statements. Phrases such as "aim", "plan", "intend", "anticipate", "well-placed", "believe", "estimate", "expect", "target", "consider" and similar expressions are generally intended to identify forward-looking statements. Forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to differ materially from what is expressed or implied by the statements. For Smith & Nephew, these factors include: economic and financial conditions in the markets we serve, especially those affecting health care providers, payors and customers; price levels for established and innovative medical devices; developments in medical technology; regulatory approvals, reimbursement decisions or other government actions; product defects or recalls; litigation relating to patent or other claims; legal compliance risks and related investigative, remedial or enforcement actions; strategic actions, including acquisitions and dispositions, our success in integrating acquired businesses, and disruption that may result from changes we make in our business plans or organisation to adapt to market developments; and numerous other matters that affect us or our markets, including those of a political, economic, business, competitive or reputational nature. Please refer to the documents that Smith & Nephew has filed with the U.S. Securities and Exchange Commission under the U.S. Securities Exchange Act of 1934, as amended, including Smith & Nephew's most recent annual report on Form 20F, for a discussion of certain of these factors.

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Our business

RENASYS[®] GO
Negative Pressure Wound Therapy



ALLEVYN[®]
Wound Dressings



VISIONAIRE[®]
Patient Matched Instrumentation



VERILAST[®]
30-year wear claim



ANTHOLOGY[®]
Primary Hip System



BIRMINGHAM HIP[®]
Resurfacing System

Advanced Wound Management

Knee Implants

DYONICS[®] PLATINUM
Shaver Blades



Other

Arthroscopic Enabling Technologies

Sports Medicine (Joint Repair)

Trauma



FAST FIX 360[®]
Meniscal Repair System



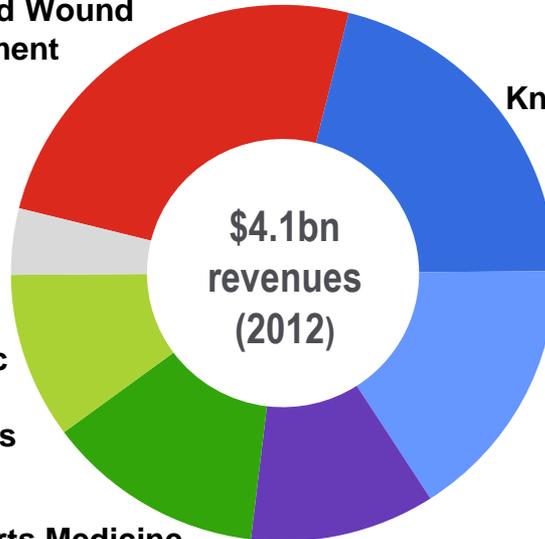
HEALICOIL[®] PK
Suture Anchor



PERI-LOC[®]
Periarticular Locked Plating System



TRIGEN[®] INTERTAN
Intertrochanteric Antegrade Nail



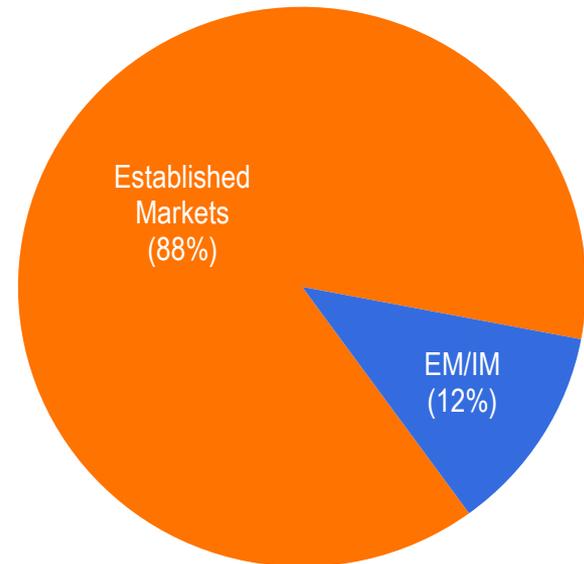
Strategic Priorities

- Winning in **Established Markets**
- Accelerating development in **Emerging Markets**
- **Innovating for value**
- Simplifying and **improving our operating model**
- Supplement organic **growth through acquisitions**

Winning in Established Markets

- 2012 highlights
 - ASD restructuring
 - AWM realignment
 - Bioventus
- 2013 developments
 - Trauma and Extremities investment
 - continued NPWT expansion
 - integration of Healthpoint on track

2012 S&N revenues
(geographic split)

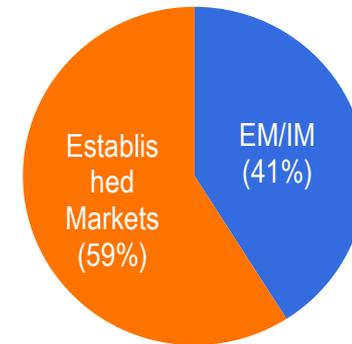


Accelerating development in Emerging Markets

- 2012 highlights
 - China successful model
 - significant structural and talent investment

- 2013 developments
 - organic investment (e.g. Mexico)
 - acquisitions (Brazil, India, Turkey)
 - mid-tier portfolio development

2012 S&N revenue growth (contribution)



Revenue Development



Closer to the customer; developing critical mass

BRIC



China



India



Brazil



Russia

'Next level'



Turkey



Mexico



Saudi Arabia



South Africa

Product strategy and development

Market	S&N Strategy	Execution
 <p>Upper tier</p>	<p>“Lead” the Premium segments</p>	<ul style="list-style-type: none"> • Registering more existing products
 <p>Mid-tier</p>	<p>“Champion”: address and create Mid-tier</p>	<ul style="list-style-type: none"> • Acquisitions • New product development • Launching AWM range
 <p>Lower tier</p>	<p>“Opportunistic”</p>	

Innovating for value

- 2012 highlights
 - 32 new AWM products
 - ASD launch new platforms

- 2013 developments
 - increased R&D investment
 - ASD: JOURNEY[◇] II, Foot & Ankle set, HEALICOIL[◇] anchors
 - AWM: continues launch momentum
 - HP-802 Phase III trials
 - mid-tier portfolio

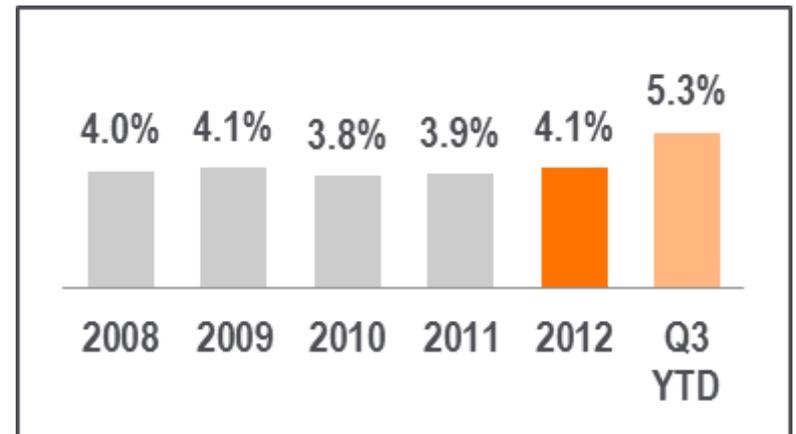


HEALICOIL[◇] PK
Suture Anchor

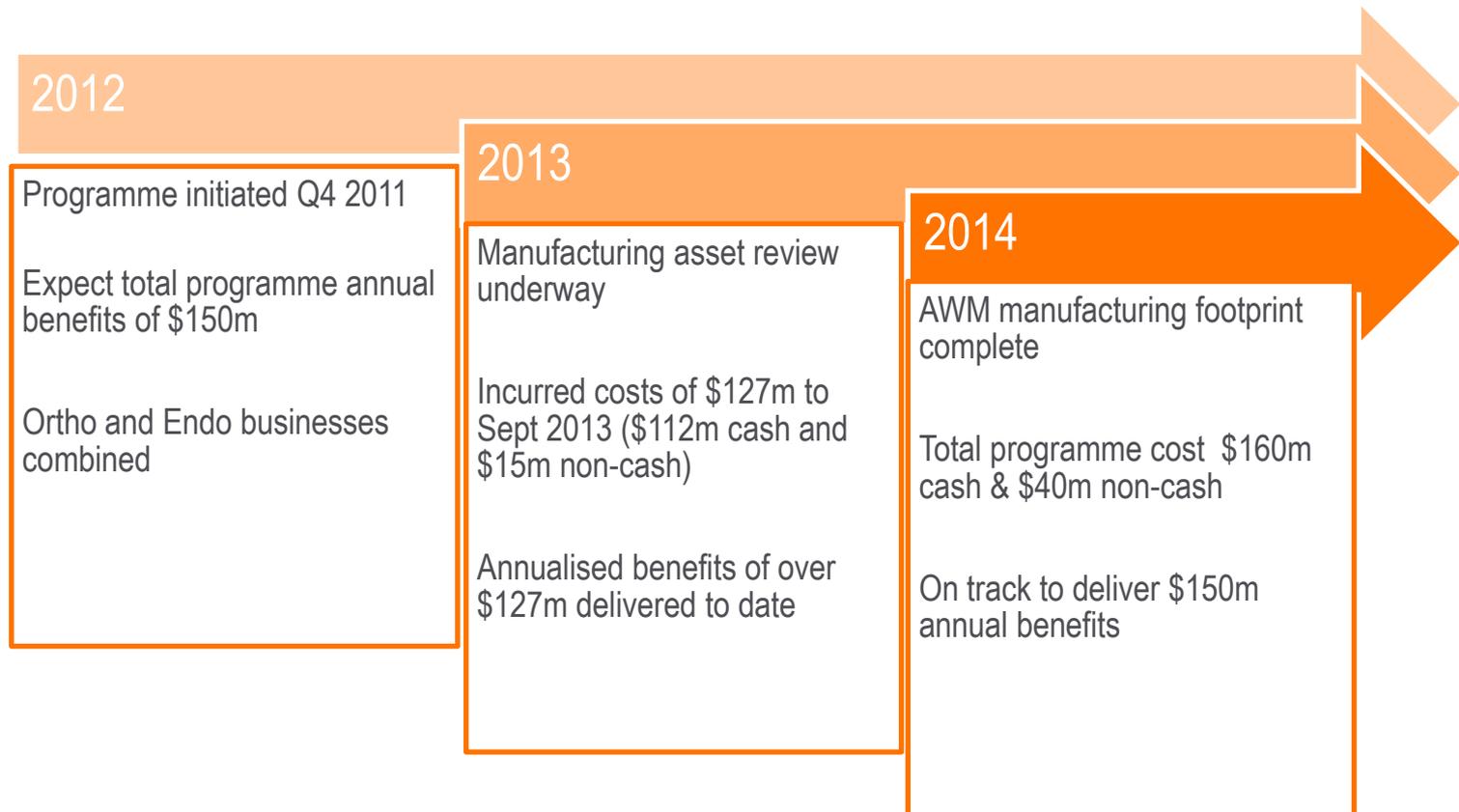


VLP[◇] FOOT Percutaneous
Calcaneus Plating System

R&D %



Simplifying and improving our operating model



Supplement organic growth through acquisition

Scale	Acquisitions
Large bolt-ons	
Supplementing organic growth strategies	     
Complementary technology	  

Capital allocation framework



Maintain strong balance sheet to ensure solid investment grade credit metrics

Summary – making choices for the long term

- Strategic priorities progress
 - revenue and trading profit in-line with expectations
 - efficiency benefits evident
 - strong operational and financial platform
 - acquisitions
- Towards stronger portfolio, flexibility and predictability
 - invested in attractive high growth markets and segments
 - business profile balancing growth and efficiency

 We are **smith&nephew**