



# Advanced Wound Management New business unit analysis

March 2013



# 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 or competitive 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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# Definitions of new business unit product lines

Business unit	Products Included
Advanced Wound Care	Exudate management products, predominantly the ALLEVYN <sup>◇</sup> family, infection management products including ACTICOAT <sup>◇</sup> and IODOSORB <sup>◇</sup> , IV and post-operative dressings such as IV3000 <sup>◇</sup> and OPSITE <sup>◇</sup> Post-Op and skincare range SECURA <sup>◇</sup> . Further brands include the compression bandaging system PROFORE <sup>◇</sup> and hydrogel INTRASITE <sup>◇</sup>
Advanced Wound Devices	Negative Pressure Wound Therapy products such as RENASYS <sup>◇</sup> and PICO <sup>◇</sup> , and VERSAJET <sup>◇</sup> Hydrosurgery System
Advanced Wound Bioactives	Enzymatic debriders, including SANTYL <sup>◇</sup> , skin substitutes such as OASIS <sup>◇</sup> , growth factor products such as REGRANEX <sup>◇</sup> , collagens and other topical drugs

# Advanced Wound Management: revenue analysis

The table below provides the 2011/2012 Advanced Wound Management revenues and underlying growth under the new business unit reporting basis for 2013 and the phasing for Healthpoint Biotherapeutics

	2011		2012									
	Full Year		Q1		Q2		Q3		Q4		Full Year	
	Revenue	Growth	Revenue	Growth	Revenue	Growth	Revenue	Growth	Revenue	Growth	Revenue	Growth
	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%	\$m	%
Advanced Wound Care	879	n/a	201	0	214	0	207	(2)	227	0	849	0
Advanced Wound Devices	140	n/a	39	36	41	30	47	42	53	22	180	31
<b>Advanced Wound Management</b>	<b>1,019</b>	<b>7%</b>	<b>240</b>	<b>5%</b>	<b>255</b>	<b>4%</b>	<b>254</b>	<b>4%</b>	<b>280</b>	<b>4%</b>	<b>1,029</b>	<b>4%</b>
<i>Currency impact on reported growth rates</i>		(5)%		2%		5%		6%		1%		3%
Advanced Wound Bioactives (Healthpoint)			45	n/a	52	n/a	46	n/a	47	n/a	190	n/a

All revenue growth rates are on an underlying basis, excluding the effects of acquisitions, disposals and currency translation

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