Cowen and Company Healthcare Conference
March 2008

Enabling people to live healthier, more active lives
Forward looking statements

This presentation contains certain "forward-looking statements" within the meaning of the US Private Securities Litigation Reform Act of 1995. In particular, statements regarding expected revenue growth and trading margins discussed under "Outlook" are forward-looking statements as are discussions of our product pipeline. These statements, as well as the phrases "aim", "plan", "intend", "anticipate", "well-placed", "believe", "estimate", "expect", "target", "consider" and similar expressions, are generally intended to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors (including, but not limited to, the outcome of litigation, claims and regulatory approvals) that could cause the actual results, performance or achievements of Smith & Nephew, or industry results, to differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements. 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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Strategy for continued value growth

• **Customer and market focus**
  – Innovation to provide clinical benefits and value for healthcare systems
  – Focus on active informed patients

• **Value enhancing acquisitions**
  – Unique/additive technologies
  – Improved channels to market

• **Earnings improvement**
  – Aim for above market revenue growth
  – Continue to invest in R&D/innovation
  – Margin enhancement through EIP

sustainable profitable growth
Key business objectives

• To be the company that active, informed patients look to for advanced treatment options

• To offer orthopaedic customers a seamless “continuum of care” from early intervention to revision

• To have a strong market presence in the major US wound management market

• To have a true global balance and profile
  – to keep us close to our customers
  – for producing/sourcing product

• To lead the industry in the high value growth segments

• To drive improved financial performance
Continuum of care
Being part of the orthopaedic surgeon’s daily life
# Being part of the orthopedic surgeon’s daily life

<table>
<thead>
<tr>
<th>Disease</th>
<th>Treatment options</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>Distal femoral fracture</td>
<td>Plating</td>
<td>REPAIR</td>
</tr>
<tr>
<td></td>
<td>Intramedullary nailing</td>
<td>PERI-LOC®</td>
</tr>
<tr>
<td></td>
<td>External fixation</td>
<td>TRIGEN®META NAIL</td>
</tr>
<tr>
<td></td>
<td>Bone Stimulation</td>
<td>JET-®BAR</td>
</tr>
<tr>
<td></td>
<td></td>
<td>EXOGEN 4000®</td>
</tr>
</tbody>
</table>

**Motorcycle accident**
# Being part of the orthopedic surgeon’s daily life

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<tbody>
<tr>
<td>ACL Rupture with meniscal tear</td>
<td>Mensical Suture</td>
<td>ULTRA FAST-FIX° Meniscal Repair System</td>
</tr>
<tr>
<td></td>
<td>Arthroscopic ACL Repair</td>
<td>ACUFEX° ANATOMIC ACL Guide System</td>
</tr>
<tr>
<td></td>
<td></td>
<td>CLANCY ANATOMIC CRUCIATE GUIDE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Flexible Drill System</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ENDObUTTON° CL</td>
</tr>
<tr>
<td></td>
<td></td>
<td>ULTRA Fixation Device</td>
</tr>
<tr>
<td>Skiing sport injury</td>
<td></td>
<td>BIORC® -HA Screw System</td>
</tr>
</tbody>
</table>
# Continuum of care

## Being part of the orthopedic surgeon's daily life

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<tr>
<td>Medial knee arthritis</td>
<td>Osteotomy</td>
<td>PERI-LOC®</td>
</tr>
<tr>
<td></td>
<td>Partial Knee Replacement</td>
<td>JOURNEY® UNI</td>
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<tr>
<td></td>
<td></td>
<td>JOURNEY® PFJ</td>
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<tr>
<td></td>
<td></td>
<td>JOURNEY® DEUCE®</td>
</tr>
</tbody>
</table>

Skiing sport injury

![Image of knee joint and repair product]

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*Smith&Nephew logo*
# Being part of the orthopedic surgeon’s daily life

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<tbody>
<tr>
<td>Knee instability after total replacement</td>
<td>Revision Operation</td>
<td>LEGION® REVISION KNEE RT-MODULAR SOLUTION</td>
</tr>
<tr>
<td></td>
<td>collateral ligaments affected</td>
<td></td>
</tr>
<tr>
<td>Knee pain after knee replacement</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Continuum of care

− REPAIR

− REBUILD

− RESTORE

Smith & Nephew

− LEGION® REVISION KNEE

− RT-MODULAR SOLUTION

− LEGION® REVISION KNEE

− RT-MODULAR SOLUTION
Continuum of care

Being part of the orthopedic surgeon's daily life
Repair, rebuild....restore
We give you advanced products for a continuum of patient care
Continuum of care
Advanced Wound Management

• Care segments
  – Wound bed preparation
  – Exudate management
  – Infection control
  – Negative pressure wound therapy

• Geographic opportunities
  – US
  – Europe

sustainable profitable growth
Objectives for Earnings Improvement Program

- Enhance overall competitiveness of Smith & Nephew
- Liberate resources for reinvestment in high priority growth areas
- Enhance performance of company over 1 – 4 years
- Establish culture of long term continuous improvement
Wide range of activities

Manufacturing cost of goods (Cogs)  Portfolio  Leverage/combine infrastructure  Sales deployment  Operational excellence

sustainable profitable growth
We are Smith & Nephew

We have

• Long term upward demand curve for products
• Innovative products with strong patient, medical professional and payor benefits
• Continuous flow of new products and technologies
• Strong and strengthening market position & Plus Orthopedics
• Upside in trading margin from EIP
• Acquisitions and share buy-back adding value
• Excellent experienced management team

sustainable profitable growth
Questions?