

SMITH & NEPHEW plc

2005 QUARTER FOUR AND FULL YEAR RESULTS

Unaudited Restatement to US \$

Income statement

	<u>2005</u>					<u>2004</u>
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Year</u>	<u>Year</u>
	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>
Revenue:						
Orthopaedics	313	320	302	332	1,267	1,085
Endoscopy	151	150	141	164	606	562
Advanced Wound Management	<u>164</u>	<u>172</u>	<u>169</u>	<u>174</u>	<u>679</u>	<u>654</u>
	<u>628</u>	<u>642</u>	<u>612</u>	<u>670</u>	<u>2,552</u>	<u>2,301</u>
Trading Profit:						
Orthopaedics	75	77	66	85	303	254
Endoscopy	30	30	25	42	127	114
Advanced Wound Management	<u>19</u>	<u>22</u>	<u>26</u>	<u>30</u>	<u>97</u>	<u>92</u>
	124	129	117	157	527	460
Restructuring and rationalisation costs	-	-	(44)	(40)	(84)	-
Macrot textured claim	-	-	-	-	-	(154)
Amortisation of acquisition intangibles	(3)	(3)	(2)	(3)	(11)	(8)
Net interest and other finance costs	3	2	-	(2)	3	4
Fair value of hedge of anticipated sale proceeds of joint venture	-	-	-	<u>2</u>	<u>2</u>	-
Profit before taxation	124	128	71	114	437	302
Taxation	<u>(38)</u>	<u>(39)</u>	<u>(18)</u>	<u>(34)</u>	<u>(129)</u>	<u>(80)</u>
Profit from continuing operations	86	89	53	80	308	222
Profit from discontinued operations	<u>7</u>	<u>8</u>	<u>9</u>	<u>7</u>	<u>31</u>	<u>28</u>
Attributable profit	<u>93</u>	<u>97</u>	<u>62</u>	<u>87</u>	<u>339</u>	<u>250</u>
Basic earnings per share	9.9¢	10.4¢	6.6¢	9.3¢	36.2¢	26.7¢

Adjusted earnings per share

In order to provide a trend measure of underlying performance, attributable profit is adjusted to exclude items which management consider will distort comparability, either due to their significant, non-recurring nature or as a result of specific accounting treatments. Adjusted earnings per share ("EPSA") has been calculated by dividing adjusted attributable profit by the weighted (basic) average of ordinary shares.

	<u>2005</u>					<u>2004</u>
	<u>Q1</u>	<u>Q2</u>	<u>Q3</u>	<u>Q4</u>	<u>Year</u>	<u>Year</u>
	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>	<u>\$m</u>
Attributable profit	93	97	62	87	339	250
Adjustments:						
Macrot textured claim	-	-	-	-	-	154
Restructuring and rationalisation costs	-	-	44	40	84	-
Amortisation of acquisition intangibles	3	3	2	3	11	8
Fair value of hedge of anticipated sale proceeds of joint venture	-	-	-	(2)	(2)	-
Tax on excluded items	-	-	<u>(17)</u>	<u>(12)</u>	<u>(29)</u>	<u>(54)</u>
Adjusted attributable profit	<u>96</u>	<u>100</u>	<u>91</u>	<u>116</u>	<u>403</u>	<u>358</u>
Adjusted basic earnings per share	10.2¢	10.7¢	9.7¢	12.4¢	43.0¢	38.3¢
Average rate in the period						
£ to \$	1.90	1.83	1.80	1.73	1.81	1.84
€ to \$	1.30	1.24	1.23	1.18	1.24	1.25