

## Press Release

2 April, 2001

### Commencement of operations of BSN medical

Smith & Nephew, the global medical devices company, today announced the commencement of operations of BSN medical, its joint venture with Beiersdorf AG, which combines both their traditional woundcare, casting, bandaging and compression therapy businesses. It also announced the completion of the acquisition of Beiersdorf's advanced woundcare business for £30m.

Both transactions were announced in November last year, with an anticipated completion date of April 2001.

BSN medical is owned 50% by each parent and will be independently managed by a team drawn from both parents, led by Chief Executive, Graham Siddle, who was until recently the Commercial Director of Smith & Nephew. Headquartered in Germany, BSN medical has sales of £300m, over 3,000 employees and manufacturing facilities in UK, US, Germany, France, Ireland, South Africa, Mexico and Pakistan. The joint venture allows flexibility for both parents' continuing involvement after the first five years.

Smith & Nephew's advanced woundcare business produces technologically advanced products for difficult to heal wounds such as leg ulcers, pressure sores and burns. Today's completion of the acquisition of Beiersdorf's advanced woundcare business marks a further stage in strengthening the group's global leadership position in this important market. The acquisition will provide Smith & Nephew with critical mass in a number of key markets, particularly Germany, and bring with it leading brands such as Cutinova for moist wound healing and Leukostrip/clip for wound closure.

Chris O'Donnell, Chief Executive of Smith & Nephew said: "We believe the creation of the joint venture is the best way to maximize the value of these businesses for the parent companies and their shareholders. The parents have appointed a first class management team at BSN medical, and are confident that they will achieve a successful future for the new company."

Graham Siddle, Chief Executive of BSN medical, said: "BSN medical begins life as a significant player in the global medical devices market with leadership positions in many of its strategic segments. We intend to build on this, becoming a highly efficient, cost effective business that will generate both sales opportunity and operational synergies. We are determined that BSN medical will deliver strong returns to our shareholders."



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