

SMITH & NEPHEW EUROPE LIMITED

DIRECTORS' REPORT

Directors: P.R. Chambers
G.E.M. Parsons
S.M. Henderson (appointed 22.05.09)

The directors present their report for the year ended 31st December 2008.

ACCOUNTS, ACTIVITIES AND AUDITORS

The directors submit the accounts of the company for the year ended 31st December 2008. The company is a dormant company within the meaning of S249AA of the Companies Act 1985 and accordingly, no auditors have been appointed. No changes in the books of account of the company have taken place during the year and any expenses have been met by another group company. The accounts, therefore, consist of a balance sheet only.

By order of the Board, 4 June 2009



For and on behalf of
Smith & Nephew Nominee Services Limited
Secretary

Registered Office: 15 Adam Street, London, WC2N 6LA
Registered Number: 1333476

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COMPANIES HOUSE

SMITH & NEPHEW EUROPE LIMITED

BALANCE SHEET AT 31st DECEMBER 2008

	NOTES	31 st December 2008 £	31 st December 2007 £
CURRENT ASSETS:			
Debtors		53,581,493	53,581,493
		-----	-----
NET ASSETS:		53,581,493	53,581,493
		=====	=====
CAPITAL AND RESERVES:			
Called up Share Capital	2	53,500,100	53,500,100
Profit and loss account		81,393	81,393
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SHAREHOLDERS FUNDS:		53,581,493	53,581,493
		=====	=====

NOTES TO THE ACCOUNTS

- The company's ultimate holding company is Smith & Nephew plc, incorporated in England and Wales.
- At 31st December 2008 and 31st December 2007 the share capital of the company was:

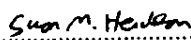
	Authorised £	Allotted, called up and fully paid £
Ordinary Shares of £1 each	53,500,100	53,500,100
	=====	=====

For the year ended 31st December 2008 the Company was entitled to exemption under section 249AA (1) of the Companies Act 1985 ("CA"). No members have required the Company to obtain an audit of its accounts for the year in question in accordance with S249B (2) CA.

The Directors acknowledge their responsibility for:

- g) Ensuring the Company keeps accounting records which comply with S221 CA;
- h) Preparing accounts which give a true and fair view of the state of affairs of the Company as at the end of its financial year, and of its profit and loss for the financial year in accordance with S226 CA, and which otherwise comply with the requirements of the Companies Act relating to accounts, so far as applicable to the Company.

Approved by the Board on 4 June 2009



 Director