

Smith & Nephew completes acquisition of meniscal repair system developer Ceterix® Orthopaedics

22 January 2018

Smith & Nephew plc (LSE:SN, NYSE:SNN), the global medical technology business, announces it has completed the acquisition of Ceterix® Orthopaedics, Inc, the developer of the NovoStitch® Pro Meniscal Repair System. The acquisition supports the Company's strategy to invest in innovative technologies that meet unmet clinical needs.

The cost of the acquisition is \$50 million and up to a further \$55 million over the next five years, contingent on financial performance.

NovoStitch Pro is a unique device that addresses complex meniscal tear patterns not adequately served by other repair systems. It allows surgeons to repair arthroscopically horizontal, radial, complex, bucket handle and root tears, as well as vertical tears. It is highly complementary to Smith & Nephew's leading FAST-FIX 360 Meniscal Repair System, which addresses vertical tears, the most commonly repairable meniscal injury today.

There are currently more than 1.2 million¹ meniscal tears treated surgically in the US each year, with only 15-20%¹ of the cases receiving a meniscal repair, rather than removal. With products like NovoStitch Pro and FAST-FIX 360, Smith & Nephew sees the opportunity to double this proportion in the medium term.

"NovoStitch Pro is an outstanding technology that addresses an unmet clinical need. We are delighted to add this device to our Sports Medicine portfolio and are looking forward to the opportunities that come with it," said Brad Cannon, President Sports Medicine and ENT, Smith & Nephew.

"We are excited by the growth opportunities of the NovoStitch Pro at Smith & Nephew and are proud of the impact our technology has made in developing the meniscal repair market", said Justin Saliman, MD, Founder and Chief Medical Officer at Ceterix.

NovoStitch Pro will be sold through the Company's extensive sports medicine sales force as well as Ceterix's existing dedicated sales force. NovoStitch Pro has 510(k) clearance for sale in the US.

Enquiries

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About Smith & Nephew

Smith & Nephew is a portfolio medical technology business with leadership positions in Orthopaedics, Wound, Sports Medicine and ENT. Smith & Nephew has more than 15,000 employees and a presence in more than 100 countries. Annual sales in 2017 were almost \$4.8 billion. Smith & Nephew is a member of the FTSE100 (LSE:SN, NYSE:SNN). For more information about Smith & Nephew, please visit our corporate website www.smith-nephew.com and follow us on Twitter, LinkedIn or Facebook.

Forward-looking Statements

This document may contain 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, payers 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 or other problems with quality management systems or failure to comply with related regulations; litigation relating to patent or other claims; legal compliance risks and related investigative, remedial or enforcement actions; disruption to our supply chain or operations or those of our suppliers; competition for qualified personnel; strategic actions, including acquisitions and dispositions, our success in performing due diligence, valuing and integrating acquired businesses; disruption that may result from transactions or other 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, competitive or reputational 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 20-F, for a discussion of certain of these factors. Any forward-looking statement is based on information available to Smith & Nephew as of the date of the statement. All written or oral forward-looking statements attributable to Smith & Nephew are qualified by this caution. Smith & Nephew does not undertake any obligation to update or revise any forward-looking statement to reflect any change in circumstances or in Smith & Nephew's expectations.

1. 2018 SmartTRAK US Meniscal Repair Fixation market report

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Smith & Nephew Plc

(Registrant)

Date: January 22, 2019

By: /s/ Susan Swabey

Susan Swabey
Company Secretary