

SMITH & NEPHEW PLC  
Form 6-K  
May 18, 2016

SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

Report of Foreign Private Issuer

Pursuant to Rule 13a-16 or 15d-16  
of the Securities Exchange Act of  
1934

May 18, 2016

Commission File Number 001-14978

SMITH & NEPHEW plc  
(Registrant's name)

15 Adam Street  
London, England WC2N 6LA  
(Address of registrant's principal executive offices)

[Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.]

|                                               |                                    |
|-----------------------------------------------|------------------------------------|
| Form 20-F <input checked="" type="checkbox"/> | Form 40-F <input type="checkbox"/> |
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[Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1).]

|                              |                                        |
|------------------------------|----------------------------------------|
| Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| ---                          | ---                                    |

[Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7).]

|                              |                                        |
|------------------------------|----------------------------------------|
| Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| ---                          | ---                                    |

[Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing information to the Commission pursuant to Rule 12g3-2 (b) under the Securities Exchange Act of 1934.]

|                              |                                        |
|------------------------------|----------------------------------------|
| Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
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If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2 (b) : 82- n/a.

Smith & Nephew divests Gynaecology business for \$350 million and announces associated \$300 million share buy-back programme

18 May 2016

Smith & Nephew plc (LSE:SN, NYSE:SNN), the global medical technology business, announces that it has signed a definitive agreement to divest its Gynaecology business to Medtronic plc (NYSE:MDT) for \$350 million.

Gynaecology has been rapidly built around Smith & Nephew's resection technologies and comprises, primarily, the TRUCLEAR $\diamond$  System for the hysteroscopic resection and removal of uterine tissue. Gynaecology delivered revenue of \$56 million in 2015, representing a little over 1% of Group revenue.

Gynaecology and its employees will benefit from increased focus and presence in the gynaecology space, including broadening the products and services available to customers. The acquisition strongly complements Medtronic's existing portfolio.

Financial impact and use of proceeds

The proceeds, which are surplus to Smith & Nephew's current near-term capital requirements, will be returned to shareholders through a \$300 million share buy-back programme. This is expected to commence shortly after completion in July 2016.

The transaction is expected to be broadly neutral to adjusted earnings ('EPSA') in 2017, after the share buy-back, and to reduce EPSA by less than 1.0¢ in 2016. The gross proceeds are before tax and costs.

Olivier Bohuon, Chief Executive Officer of Smith & Nephew, said:

"Smith & Nephew's management team has a strong track record of creating value through organic growth and by acquisition. The sale of our Gynaecology business demonstrates our disciplined strategic approach to capital deployment and to crystallising value through divestiture at the right time.

"The quality of the Gynaecology business was reflected by the strong interest from potential buyers, allowing us to obtain an attractive valuation. Our shareholders will benefit directly from the return of the proceeds through a share buy-back programme, in-line with our capital allocation framework. Gynaecology and its employees will benefit from a new owner with a synergistic platform looking to take the business to the next level."

It is expected that the majority of Gynaecology employees will join Medtronic. Smith & Nephew will continue to manufacture the TRUCLEAR System for Medtronic for a transitional period.

Davis Polk & Wardwell LLP served as counsel to Smith & Nephew and Ondra Partners acted as financial advisor.

Enquiries

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About Smith & Nephew

Smith & Nephew is a global medical technology business dedicated to supporting healthcare professionals in their daily efforts to improve the lives of their patients. With leadership positions in Orthopaedic Reconstruction, Advanced Wound Management, Sports Medicine and Trauma & Extremities, Smith & Nephew has around 15,000 employees and a presence in more than 100 countries. Annual sales in 2015 were more than \$4.6 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](http://www.smith-nephew.com), follow @SmithNephewplc on Twitter or visit SmithNephewplc on Facebook.com.

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.

◇ Trademark of Smith & Nephew. Certain marks registered US Patent and Trademark Office.

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: May 18, 2016

By: /s/ Susan Swabey

Susan Swabey  
Company Secretary

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