

SMITH & NEPHEW PLC  
Form 6-K  
January 23, 2018

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

January 23, 2018

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 X            Form 40-F  
---                    ---

[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                    No X  
---                    ---

[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                    No X  
---                    ---

[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                    No X  
---                    ---

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 update on tax  
23 January 2018

Smith & Nephew (NYSE:SNN; LSE:SN), the global medical technology business, today announces updated guidance regarding its expected corporate tax rate following legislative changes to the tax environment in the United States.

Smith & Nephew has now completed its initial analysis of the implications of the recently enacted US tax reform legislation, including the reduction in the US federal corporate income tax rate from 35% to 21% which came into effect on 1 January 2018. As a result of this change, from 2018 Smith & Nephew now expects a corporate tax rate on trading results in the range 20% to 21% for the medium term, barring any changes to tax legislation or other one-off items. This is a reduction of 4 to 5 percentage points on our previous guidance of around 25%.

The one-time effects of US tax reform in 2017, including the revaluation of certain deferred tax balances, are not expected to be material and will be taken outside trading results.

Separately, we now expect the full year tax rate on 2017 trading results to be lower than our previous guidance of around 22%. This is mainly due to the release of provisions, which are one-off in nature, as we conclude and revise open tax issues, including the US tax audit as reported at the half year. The final tax rate will be disclosed with Smith & Nephew's results for the year ended 31 December 2017 published on 8 February 2018.

-ends-

#### Enquiries

#### Investors

Ingeborg Øie +44 (0) 20 7960 2285  
Smith & Nephew

#### Media

Charles Reynolds +44 (0) 1923 477314  
Smith & Nephew

Ben Atwell / Simon Conway +44 (0) 20 3727 1000  
FTI Consulting

#### About Smith & Nephew

Smith & Nephew is a global medical technology business dedicated to helping healthcare professionals improve people's lives. 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 2016 were almost \$4.7 billion. Smith & Nephew is a member of the FTSE100 (LSE:SN, NYSE:SNN).

For more information about Smith & Nephew, please visit our website [www.smith-nephew.com](http://www.smith-nephew.com), follow @SmithNephewplc on Twitter or visit [SmithNephewplc](https://www.facebook.com/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: January 23, 2018

By: /s/ Susan Swabey

-----

Susan Swabey  
Company Secretary