ABN AMRO HOLDING N V
Form FWP
November 29, 2007

Filed pursuant to Rule 433
November 28, 2007
Relating to Preliminary Pricing Supplement No. 383 to
Registration Statement Nos. 333-137691, 333-137691-02
Dated September 29, 2006

ABN AMRO Bank N.V. Reverse Exchangeable Securities
S-NOTES℠

Preliminary Pricing Sheet – November 28, 2007

27.00% (ANNUALIZED) THREE MONTH **AK STEEL HOLDING CORPORATION** KNOCK-IN REX℠ SECURIT

OFFERING PERIOD: NOVEMBER 28, 2007 – DECEMBER 4, 2007

SUMMARY INFORMATION

Issuer: ABN AMRO Bank N.V. (Senior Long Term Debt Rating: Moody's Aa2, S&P AA-)

Lead Agent: ABN AMRO Incorporated

Offerings: This prospectus relates to one offering of securities (the "Securities"). Each Security offered is linked to one and only one, Underlying Stock. The Underlying Stock is set forth in the table below.

Interest Payment Dates: Interest on the Securities is payable monthly in arrears on the 7th of each month starting on January 7, 2007 and ending on the Maturity Date

Underlying Stock	Ticker	Coupon Rate Per annum*	Interest Rate	Put Premium	Knock-in Level	CUSIP	ISIN
AK Steel Holding Corporation	AKS	27.00%	4.78%	22.22%	75%	00078UU99	US00078UU994

*This Security has a term of three months, so you will receive a pro rated amount of this per annum rate based on such three-month period.

Denomination/Principal: $1,000

Issue Price: 100%

Payment at Maturity: The payment at maturity for each Security is based on the performance of the Underlying Stock linked to such Security:

i) If the closing price of the Underlying Stock on the primary U.S. exchange or market for such Underlying Stock has not fallen below the Knock-In Level on any trading day from but not including the Pricing Date to and including the Determination Date, we will pay you the principal amount of each Security in cash.

ii) If the closing price of the Underlying Stock on the primary U.S. exchange or market for such Underlying Stock has fallen below the Knock-In Level on any trading day from but not including the Pricing Date to and including the Determination Date:

	a) we will deliver to you a number of shares of the Underlying Stock equal to the Stock Redemption Amount, in the event that the closing price of the Underlying Stock on the Determination Date is below the Initial Price; or b) We will pay you the principal amount of each Security in cash, in the event that the closing price of the Underlying Stock on the Determination Date is at or above the Initial Price. You will receive cash in lieu of fractional shares.
Initial Price:	100% of the Closing Price of the Underlying Stock on the Pricing Date.
Stock Redemption Amount:	For each $1,000 principal amount of Security, a number of shares of the Underlying Stock linked to such Security equal to $1,000 divided by the Initial Price.
Knock-In Level:	A percentage of the Initial Price as set forth in the table above.
Indicative Secondary Pricing:	• Internet at: www.s-notes.com Bloomberg at: REXS2 <GO>
Status:	Unsecured, unsubordinated obligations of the Issuer
Trustee:	Wilmington Trust Company
Securities Administrator:	Citibank, N.A.
Settlement:	DTC, Book Entry, Transferable
Selling Restrictions:	Sales in the European Union must comply with the Prospectus Directive
Pricing Date:	December 4, 2007 subject to certain adjustments as described in the related pricing supplement
Settlement Date:	December 7, 2007
Determination Date:	March 4, 2008 subject to certain adjustments as described in the related pricing supplement
Maturity Date:	March 7, 2008 (Three Month)

ABN AMRO has filed a registration statement (including a Prospectus and Prospectus Supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the Prospectus and Prospectus Supplement in that registration statement and other documents ABN AMRO has filed with the SEC for more complete information about ABN AMRO and the offering of the Securities.

You may get these documents for free by visiting EDGAR on the SEC web site at www.sec.gov. Alternatively, ABN AMRO, any underwriter or any dealer participating in the offering will arrange to send you the Prospectus and Prospectus Supplement if you request it by calling toll free (888) 644-2048.

These Securities may not be offered or sold (i) to any person/entity listed on sanctions lists of the European Union, United States or any other applicable local competent authority; (ii) within the territory of Cuba, Sudan, Iran and Myanmar; (iii) to residents in Cuba, Sudan, Iran or Myanmar; or (iv) to Cuban Nationals, wherever located.

SUMMARY

The following summary does not contain all the information that may be important to you. You should read this summary together with the more detailed information that is contained in the related Pricing Supplement and in its accompanying Prospectus and Prospectus Supplement. You should carefully consider, among other things, the matters set forth in "Risk Factors" in the related Pricing Supplement, which are summarized on page 5 of this document. In addition, we urge you to consult with your investment, legal, accounting, tax and other advisors with respect to any investment in the Securities.

What are the Securities?

The Securities are interest paying, non-principal protected securities issued by us, ABN AMRO Bank N.V., and are fully and unconditionally guaranteed by our parent company, ABN AMRO Holding N.V. The Securities are senior notes of ABN AMRO Bank N.V. These Securities combine certain features of debt and equity by offering a fixed interest rate on the principal amount while the payment at maturity is determined based on the performance of the Underlying Stock to which it is linked.

What will I receive at maturity of the Securities?

If the closing price of the Underlying Stock linked to a Security on the relevant exchange has not fallen below the applicable Knock-In Level on any trading day from but not including the Pricing Date to and including the Determination Date (such period, the "Knock-In Period"), at maturity we will pay you the principal amount of such Security in cash.

If, on the other hand, the closing price of the applicable Underlying Stock on the relevant exchange has fallen below the applicable Knock-In Level on any trading day during the Knock-In Period, at maturity we will either:

- deliver to you a fixed number of shares of such Underlying Stock, which we call the Stock Redemption Amount, in exchange for such Security, in the event that the closing price of such Underlying Stock is below the applicable Initial Price on the Determination Date; or

- pay you the principal amount of such Security in cash, in the event that the closing price of such Underlying Stock is at or above the applicable Initial Price on the Determination Date.

Why is the interest rate on the Securities higher than the interest rate payable on your conventional debt securities with the same maturity?

The Securities offer a higher interest rate than the yield that would be payable on a conventional debt security with the same maturity issued by us or an issuer with a comparable credit rating. This is because you, the investor in the Securities, indirectly sell a put option to us on the shares of the applicable Underlying Stock. The premium due to you for this put option is combined with a market interest rate on our senior debt to produce the higher interest rate on the Securities.

What are the consequences of the indirect put option that I have sold you?

The put option you indirectly sell to us creates the feature of exchangeability. If the closing price of the applicable Underlying Stock on the relevant exchange falls below the applicable Knock-In Level on any trading day during the Knock-In Period, and on the Determination Date the closing price of the applicable Underlying Stock is less than the applicable Initial Price, you will receive the applicable Stock Redemption Amount. **The market value of the shares of such Underlying Stock at the time you receive those shares will be less than the principal amount of the**

Securities and could be zero. Therefore you are not guaranteed to receive any return of principal at maturity.

How is the Stock Redemption Amount determined?

The Stock Redemption Amount for each $1,000 principal amount of any Security is equal to $1,000 divided by the Initial Price of the Underlying Stock linked to such Security. The value of any fractional shares of such Underlying Stock that you are entitled to receive, after aggregating your total holdings of the Securities linked to such Underlying Stock, will be paid in cash based on the closing price of such Underlying Stock on the Determination Date.

What interest payments can I expect on the Securities?

The interest rate is fixed at issue and is payable in cash on each interest payment date, irrespective of whether the Securities are redeemed at maturity for cash or shares.

Can you give me an example of the payment at maturity?

If, for example, in a hypothetical offering, the interest rate was 10% per annum, the initial price of a share of underlying stock was $45.00 and the knock-in level for such offering was 80%, then the stock redemption amount would be 22.222 shares of underlying stock, or $1,000 divided by $45.00, and the knock-in level would be $36.00, or 80% of the initial price.

If the closing price of that hypothetical underlying stock fell below the knock-in level of $36.00 on any trading day during the Knock-in Period, then the payment at maturity would depend on the closing price of the underlying stock on the determination date. In this case, if the closing price of the underlying stock on the determination date is $30.00 per share at maturity, which is below the initial price level, you would receive 22.222 shares of underlying stock for each $1,000 principal amount of the securities. (In actuality, because we cannot deliver fractions of a share, you would receive on the maturity date for each $1,000 principal amount of the securities 22 shares of underlying stock plus $6.66 cash in lieu of 0.222 fractional shares, determined by multiplying 0.222 by $30.00, the closing price per shares of underlying stock on the determination date.) In addition, over the life of the securities you would have received interest payments at a rate of 10% per annum. **In this hypothetical example, the market value of those 22 shares of underlying stock (including the cash paid in lieu of fractional shares) that we would deliver to you at maturity for each $1,000 principal amount of security would be $666.66, which is less than the principal amount of $1,000, and you would have lost a portion of your initial investment.** If, on the other hand, the closing price of the underlying stock on the determination date is $50.00 per share, which is above the initial price level, you will receive $1,000 in cash for each $1,000 principal amount of the securities regardless of the knock-in level having been breached. In addition, over the life of the Securities you would have received interest payments at a rate of 10% per annum.

Alternatively, if the closing price of the underlying stock never falls below $36.00, which is the knock-in level, on any trading day during the Knock-in Period, at maturity you will receive $1,000 in cash for each security you hold regardless of the closing price of the underlying stock on the determination date. In addition, over the life of the securities you would have received interest payments at a rate of 10% per annum.

This example is for illustrative purposes only and is based on a hypothetical offering. It is not possible to predict the closing price of any of the Underlying Stocks on the determination date or at any time during the life of the Securities. For each offering, we will set the Initial Price, Knock-In Level and Stock Redemption Amount on the Pricing Date.

Do I benefit from any appreciation in the Underlying Stock over the life of the Securities?

No. The amount paid at maturity for each $1,000 principal amount of the Securities will not exceed $1,000.

What if I have more questions?

You should read the "Description of Securities" in the related Pricing Supplement for a detailed description of the terms of the Securities. ABN AMRO has filed a registration statement (including a Prospectus and Prospectus Supplement) with the SEC for the offering to which this communication relates. Before you invest, you should read the Prospectus and Prospectus Supplement in that registration statement and other documents ABN AMRO has filed with the SEC for more complete information about ABN AMRO and the offering of the Securities. You may get these documents for free by visiting EDGAR on the SEC web site at www.sec.gov. Alternatively, ABN AMRO, any underwriter or any dealer participating in the offering will arrange to send you the Prospectus and Prospectus Supplement if you request it by calling toll free (888) 644-2048.

RISK FACTORS

Investors should carefully consider the risks of the Securities to which this communication relates and whether these Securities are suited to their particular circumstances before deciding to purchase them. It is important that prior to investing in these Securities investors read the Pricing Supplement related to such Securities and the accompanying Prospectus and Prospectus Supplement to understand the actual terms of and the risks associated with the Securities. In addition, we urge investors to consult with their investment, legal, accounting, tax and other advisors with respect to any investment in the Securities.

Credit Risk

The Securities are issued by ABN AMRO Bank N.V. and guaranteed by ABN AMRO Holding N.V., ABN AMRO's parent. As a result, investors assume the credit risk of ABN AMRO Bank N.V. and that of ABN AMRO Holding N.V. in the event that ABN AMRO defaults on its obligations under the Securities. Any obligations or Securities sold, offered, or recommended are not deposits on ABN AMRO Bank N.V. and are not endorsed or guaranteed by any bank or thrift, nor are they insured by the FDIC or any governmental agency.

Principal Risk

The Securities are not ordinary debt securities: they are not principal protected. In addition, if the closing price of the applicable Underlying Stock falls below the applicable Knock-In Level on any trading day during the Knock-In Period, investors in the Securities will be exposed to any decline in the price of the applicable Underlying Stock below the closing price of such Underlying Stock on the date the Securities were priced. **Accordingly, investors may lose some or all of their initial investment in the Securities.**

Limited Return

The amount payable under the Securities will never exceed the original principal amount of the Securities plus the applicable aggregate fixed coupon payment investors earn during the term of the Securities. This means that investors will not benefit from any price appreciation in the applicable Underlying Stock, nor will they receive dividends paid on the applicable Underlying Stock, if any. Accordingly, investors will never receive at maturity an amount greater than a predetermined amount per Security, regardless of how much the price of the applicable Underlying Stock increases during the term of the Securities or on the Determination Date. The return of a Security may be significantly less than the return of a direct investment in the Underlying Stock to which the Security is linked during the term of the Security.

Liquidity Risk

ABN AMRO does not intend to list the Securities on any securities exchange. Accordingly, there may be little or no secondary market for the Securities and information regarding independent market pricing of the Securities may be limited. The value of the Securities in the secondary market, if any, will be subject to many unpredictable factors, including then prevailing market conditions.

It is important to note that many factors will contribute to the secondary market value of the Securities, and investors may not receive their full principal back if the Securities are sold prior to maturity. Such factors include, but are not limited to, time to maturity, the price of the applicable Underlying Stock, volatility and interest rates.

In addition, the price, if any, at which we or another party are willing to purchase Securities in secondary market transactions will likely be lower than the issue price, since the issue price included, and secondary market prices are likely to exclude, commissions, discounts or mark-ups paid with respect to the Securities, as well as the cost of hedging our obligations under the Securities.

Tax Risk

Pursuant to the terms of the Knock-in Reverse Exchangeable Securities, we and every investor agree to characterize the Securities as consisting of a Put Option and a Deposit of cash with the issuer. Under this characterization, a portion of the stated interest payments on each Security is treated as interest on the Deposit, and the remainder is treated as attributable to a sale by the investor of the Put Option to ABN AMRO (referred to as Put Premium). Receipt of the Put Premium will not be taxable upon receipt.

If the Put Option expires unexercised (i.e., a cash payment of the principal amount of the Securities is made to the investor at maturity), the investor will recognize short-term capital gain equal to the total Put Premium received. If the Put Option is exercised (i.e., the final payment on the Securities is paid in the applicable Underlying Stock), the investor will not recognize any gain or loss in respect of the Put Option, but the investor's tax basis in the applicable Underlying Stock received will be reduced by the Put Premium received.

Significant aspects of the U.S. federal income tax treatment of the Securities are uncertain, and no assurance can be given that the Internal Revenue Service will accept, or a court will uphold, the tax treatment described above.

This summary is limited to the federal tax issues addressed herein. Additional issues may exist that are not addressed in this summary and that could affect the federal tax treatment of the transaction. This tax summary was written in connection with the promotion or marketing by ABN AMRO Bank N.V. and the placement agent of the Knock-in Reverse Exchangeable Securities, and it cannot be used by any investor for the purpose of avoiding penalties that may be asserted against the investor under the Internal Revenue Code.

Investors should seek their own advice based on their particular circumstances from an independent tax advisor.

Reverse Exchangeable is a Service Mark of ABN AMRO Bank N.V.

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Notes

30 Sep 2006
$m

1 Oct 2005 [A]
$m

ASSETS **Non-current assets** 589 Property, plant and equipment 630 579 673 Intangible assets 813 673 10 Investments 10 10 Investment in joint venture 228 Non-current receivables 1 131 Deferred tax assets 104 138

1,403 1,557 1,629 **Current assets** 610 Inventories 703 633 620 Trade and other receivables 636 572 10 Current asset derivatives 2 24 151 Cash and bank 304 120

1,391 1,645 1,349 218 Held for sale investment in joint venture

3,012 **TOTAL ASSETS** 3,202 2,978

EQUITY AND LIABILITIES **Equity attributable to equity holders of the parent** 203 Called up equity share capital 189 203 299 Share premium account 321 292 (4) Own shares (1) (3)984 Accumulated profits and other reserves 1,563 937

1,482 Total equity 11 2,072 1,429 **Non-current liabilities** 211 Long-term borrowings 16 186 190 Retirement benefit obligation 123 256 16 Other payables due after one year 4 6 48 Provisions due after one year 43 50 53 Deferred tax liabilities 45 57

518 231 555 **Current liabilities** 227 Bank overdrafts and loans due within one year 137 208 452 Trade and other payables 447 471 91 Provisions due within one year 56 67 29 Current liability derivatives 22 213 Current tax payable 259 226

		1,012 899	994
1,530	**Total liabilities**	1,130	1,549
3,012	**TOTAL EQUITY AND LIABILITIES**	3,202	2,978

A As restated for the change in reporting currency from Sterling to US Dollars on 1 January see Note 1.

SMITH & NEPHEW plc

2006 QUARTER THREE RESULTS continued

Unaudited Condensed Group Cash Flow Statement

for the 3 months and 9 months to 30 September 2006

3 Months 2005 [A]	3 Months 2006		9 Months 2006	9 Months 2005 [A]
$m	$m		$m	$m
		Net cash inflow from operating activities		
71	130	Operating profit	391	318
70	44	Depreciation, amortisation and impairment	121	142
4	4	Share based payment expense	13	11
(35)	(78)	Movement in working capital and provisions [B]	(195)	(180)
110	100	Cash generated from operations	330	291
2	2	Net interest received	8	7
(19)	(33)	Income taxes paid	(96)	(79)
93	69	Net cash inflow from operating activities	242	219
		Cash flows from investing activities		
(1)	(75)	Acquisitions (net of Loan Notes issued of $18 million in 2006)	(82)	(18)
	2	Cash acquired with acquisitions	2	
	(2)	Disposal of joint venture [C]	541	
1		Dividends received from the joint venture [C]		12
(44)	(55)	Capital expenditure	(185)	(153)
(44)	(130)	Net cash used in investing activities	276	(159)
49	(61)	**Cash flows before financing activities**	518	60
		Cash flows from financing activities		
2	3	Proceeds from issue of ordinary share capital	8	11
		Equity dividends paid	(57)	(56)
(21)	(12)	Cash movements in borrowings	(275)	(8)
(10)	(2)	Settlement of currency swaps	(5)	(5)
(29)	(11)	Net cash used in financing activities	(329)	(58)
20	(72)	**Net increase/(decrease) in cash and cash equivalents**	189	2
21	329	Cash and cash equivalents at beginning of period	65	44
		Exchange adjustments	3	(5)
41	257	**Cash and cash equivalents at end of period [D]**	257	41

[A] As restated for the change in reporting currency from Sterling to US Dollars on 1 January see Note 1.

B After $24 million (2005 $34 million) unreimbursed by insurers relating to macrotextured knee revisions, $17 million (2005 $4 million) of outgoings on rationalisation, acquisition and divestment costs and payments to reduce pension plan deficits in 2006 of $30 million.

C Discontinued operations accounted for $541 million (2005 $12 million) of net cash flow from investing activities.

D Cash and cash equivalents at the end of the period are net of overdrafts of $47 million (2005 $79 million).

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2006 QUARTER THREE RESULTS continued

NOTES

1. Except as detailed below, the financial information for the three months and nine months has been prepared on the basis of the accounting policies set out in the full annual accounts of the Group for the year ended 31 December 2005.

As the Group s principal assets and operations are in the US and the majority of its operations are conducted in US Dollars, the Group changed its reporting currency from Pounds Sterling to US Dollars with effect from 1 January 2006. This lowers the Group s exposure to currency translation risk on its revenue, profits and equity. The Company redenominated its share capital into US Dollars on 23 January 2006 and will retain distributable reserves and declare dividends in US Dollars. Consequently, its functional currency became the US Dollar. Financial information for prior periods has been restated from Pounds Sterling into US Dollars in accordance with IAS 21.

The financial information contained in this document does not constitute statutory accounts as defined in section 240 of the Companies Act 1985. The auditors have issued an unqualified opinion on the Group s statutory financial statements for the year ended 31 December 2005, which have been delivered to the Registrar of Companies.

2. In order to provide a trend measure of underlying performance, attributable profit is adjusted to exclude items which management consider may distort comparability. Such items arise from events or transactions that fall within the ordinary activities of the Group but which management believes should be separately identified to help explain trends as they are exceptional in nature or derive from specific accounting treatments.

Adjusted earnings per share (EPSA) has been calculated by dividing adjusted attributable profit by the weighted (basic) average number of ordinary shares in issue of 941 million (2005 938 million). The diluted weighted average number of ordinary shares in issue is 944 million (2005 944 million).

3 Months 2005 $m	3 Months 2006 $m		9 Months 2006 $m	9 Months 2005 $m
62	93	Attributable profit	612	252
		Adjustments:		
2	4	Amortisation of acquisition intangibles	8	8
44		Restructuring and rationalisation costs		44
		Net profit on disposal of the joint venture	(332)	
		Loss on hedge of the sale proceeds of the joint venture	3	
(17)		Taxation on excluded items	(1)	(17)
91	97	Adjusted attributable profit	290	287

9.7¢	10.3¢	Adjusted earnings per share	30.8¢	30.6¢
9.6¢	10.3¢	Adjusted diluted earnings per share	30.7¢	30.4¢

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2006 QUARTER THREE RESULTS continued

NOTES

3. Revenue by segment for the three months and nine months to 30 September 2006 was as follows:

3 Months 2005 $m	3 Months 2006 $m		9 Months 2006 $m	9 Months 2005 $m	Underlying growth in revenue % 3 Months	Underlying growth in revenue % 9 Months
		Revenue by business segment				
193	219	Orthopaedic Reconstruction	668	616	13	9
109	125	Orthopaedic Trauma	356	319	15	12
141	161	Endoscopy	478	442	13	9
169	174	Advanced Wound Management	506	505	1	1
612	679		2,008	1,882	10	7
		Revenue by geographic market				
302	337	United States	991	920	12	8
185	204	Europe [E]	624	597	6	5
125	138	Africa, Asia, Australasia & Other America	393	365	11	10
612	679		2,008	1,882	10	7

[E] Includes United Kingdom nine months revenue of $183 million (2005 - $178 million) and three months revenue of $65 million (2005 $58 million).

The Orthopaedics segment, that was reported in the full annual accounts of the Group for the year ended 31 December 2005, has been split into two segments: Orthopaedic Reconstruction and Orthopaedic Trauma.

Underlying revenue growth is calculated by eliminating the effects of translational currency. Reported growth reconciles to underlying growth as follows:

	Reported growth in revenue	Foreign currency translation	Underlying growth in revenue

	%	effect %	%
9 Months			
Orthopaedic Reconstruction	8	1	9
Orthopaedic Trauma	12		12
Endoscopy	8	1	9
Advanced Wound Management		1	1
	7		7
3 Months			
Orthopaedic Reconstruction	13		13
Orthopaedic Trauma	15		15
Endoscopy	14	(1)	13
Advanced Wound Management	3	(2)	1
	11	(1)	10

SMITH & NEPHEW plc

2006 QUARTER THREE RESULTS continued

NOTES

4. Trading and operating profit by segment for the three months and nine months to 30 September 2006 was as follows:

3 Months 2005 $m	3 Months 2006 $m		9 Months 2006 $m	9 Months 2005 $m
		Trading Profit by business segment		
44	52	Orthopaedic Reconstruction	170	155
22	24	Orthopaedic Trauma	67	63
25	28	Endoscopy	86	85
26	30	Advanced Wound Management	76	67
117	134		399	370
		Operating Profit by business segment		
42	49	Orthopaedic Reconstruction	163	148
22	24	Orthopaedic Trauma	67	63
9	27	Endoscopy	85	68
(2)	30	Advanced Wound Management	76	39
71	130		391	318

5. Restructuring and rationalisation costs in 2005 comprise a charge against Advanced Wound Management of $28 million relating to the decision to exit DERMAGRAFT◊ and related products and $16 million for the rationalisation of Endoscopy manufacturing facilities.

6. On 10 July 2006, the Group acquired all of the share capital in OsteoBiologics, Inc., for a net consideration of $73 million (including $1 million of acquisition costs). The cost of the acquisition has been allocated provisionally as $45 million intangible fixed assets, $37 million goodwill, $11 million net deferred tax liability and other net assets of $2 million. The final fair value allocation will be determined by 31 December 2006.

7. The cumulative number of revisions of the macrotextured knee product was 987 on 30 September 2006 compared with 978 at the end of Quarter Two 2006. This represents 33% of the total implanted. Settlements with patients have been achieved in respect of 888 revisions (Quarter Two 2006 843 settlements). Costs of $103 million are in dispute with insurers and are provided for in full. $51 million of provision remains to cover future settlement costs.

8. Taxation of $121 million (2005 $112 million) for the nine months on the profit before restructuring and rationalisation costs, amortisation of acquisition intangibles, the loss on hedge of the sale proceeds of the joint venture and discontinued operations is based on the full year estimated effective rate. In 2005, a taxation benefit of $17 million arose on the restructuring and rationalisation costs. Of the $120 million

(2005 $95 million) taxation charge for the nine months $96 million (2005 $68 million) relates to overseas taxation.

9. On 23 February 2006 the Group sold its 50% interest in the BSN joint venture for cash consideration of $562 million. The net profit of $332 million on the disposal of the joint venture is after a credit of $14 million for cumulative translation adjustments and $26 million of transaction costs. In 2005 the share of results of the joint venture for the nine months is after interest payable of $2 million and taxation of $11 million. The Group s discontinued operations earnings per share for the nine months is: basic 35.3¢ (2005   2.6¢) and diluted 35.1¢ (2005   2.6¢).

10. The 2005 second interim dividend of $57 million was paid on 12 May 2006. The first interim dividend for 2006 of 4.10 US cents per ordinary share was declared by the Board on 27 July 2006. UK shareholders will receive 2.21 pence per ordinary share. This is payable on 10 November 2006 to shareholders whose names appear on the register at the close of business on 20 October 2006. Shareholders may participate in the dividend re-investment plan.

SMITH & NEPHEW plc

2006 QUARTER THREE RESULTS continued

NOTES

11. The movement in total equity for the nine months to 30 September 2006 was as follows:

	2006 $m	**2005 $m**
Opening equity as at 1 January	1,482	1,338
Attributable profit	612	252
Equity dividends paid or accrued	(96)	(91)
Exchange adjustments	29	(106)
(Losses)/gains on cash flow hedges	(3)	16
Actuarial gains/(losses) on defined benefit pension plans	40	(3)
Share based payment recognised in the income statement	13	11
Taxation on items taken directly to equity	(13)	1
Issue of ordinary share capital	8	11
Closing equity	2,072	1,429

12. Net cash/(net debt) as at 30 September 2006 comprises:

	2006 $m	**2005 $m**
Cash and bank	304	120
Long-term borrowings	(16)	(186)
Bank overdrafts and loans due within one year	(137)	(208)
Net currency swap assets	2	2
	153	(272)

The movements in the nine months were as follows:

Opening net debt as at 1 January	(306)	(232)
Cash flows before financing activities	518	60
Loan Notes issued on acquisition	(18)	
Proceeds from issue of ordinary share capital	8	11
Equity dividends paid	(57)	(56)
Exchange adjustments	8	(55)
Closing net cash/(net debt)	153	(272)

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INDEPENDENT REVIEW REPORT TO SMITH & NEPHEW plc

Introduction

We have been instructed by the company to review the financial information for the three months and nine months ended 30 September 2006 which comprises Group Income Statement, Group Statement of Recognised Income and Expense, Group Balance Sheet, Condensed Group Cash Flow Statement and the related notes 1 to 12. We have read the other information contained in the interim report for quarter three and considered whether it contains any apparent misstatements or material inconsistencies with the financial information.

This report is made solely to the company in accordance with guidance contained in Bulletin 1999/4 Review of interim financial information issued by the Auditing Practices Board. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company, for our work, for this report, or for the conclusions we have formed.

Directors Responsibilities

The interim report for quarter three, including the financial information contained therein, is the responsibility of, and has been approved by, the directors. The directors are responsible for preparing the interim report for quarter three in accordance with the Listing Rules of the Financial Services Authority which require that the accounting policies and presentation applied to the interim figures should be consistent with those applied in preparing the preceding annual accounts except where any changes, and the reasons for them, are disclosed. The accounting policies are consistent with those that the directors intend to use in the next annual accounts.

Review Work Performed

We conducted our review in accordance with guidance contained in Bulletin 1999/4 Review of interim financial information issued by the Auditing Practices Board for use in the United Kingdom. A review consists principally of making enquiries of group management and applying analytical procedures to the financial information and underlying financial data, and based thereon assessing whether the accounting policies and presentation have been consistently applied, unless otherwise disclosed. A review excludes audit procedures such as tests of controls and verification of assets, liabilities and transactions. It is substantially less in scope than an audit performed in accordance with International Standards on Auditing (UK and Ireland) and therefore provides a lower level of assurance than an audit. Accordingly we do not express an audit opinion on the financial information.

Review Conclusion

On the basis of our review we are not aware of any material modifications that should be made to the financial information as presented for the three months and nine months ended 30 September 2006.

Ernst & Young LLP

London

2 November 2006