



ÖSSUR INVESTOR MEETING FULL YEAR 2009

4 February 2010





Life Without Limitations



ÖSSUR HF.
JÓN SIGURÐSSON
President & CEO



ÖSSUR HIGHLIGHTS FOR THE YEAR



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Sales

USD 331 m

Momentum in sales

- Good performance in Prosthetics, 8% growth LCY
- Challenging year in B&S, 6% decline LCY
- Sales decreased by 5%, 1% LCY

Operations

EBITDA USD 67 m

Profitable operations

- EBITDA margin 20%
- Healthy balance sheet
- Strong cash flow

Milestones

Key milestones

- Second generation of Bionics
- PROPRIO FOOT® reimbursement further strengthening the Bionic Platform
- Changes completed in Americas B&S sales organization
- Listing in Copenhagen



Americas 48% of total sales

- Overall sales declined 1%
- Strong prosthetics sales
- Challenging year in B&S
- Structural changes of sales organization completed
- Strengthening of sales channel through selective investments
- Access to hospital channels through GPOs
- US Healthcare reforms unclear

Note: All growth numbers in local currency

EMEA 2009 – MAJOR INITIATIVES ON TRACK



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EMEA 48% of total sales

- Overall sales declined by 1%
- Good prosthetics sales
- Compression therapy declined by 5%
- Slowdown of economy affecting especially the hospital sales in UK
- Discontinued third party suppliers continue to affect sales while improving profitability

Note: All growth numbers in local currency

ASIA 2009 – SOLID AND STEADY GROWTH



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Asia 4% of total sales

- Strong growth in all major markets
- 13% growth
- Good profitability

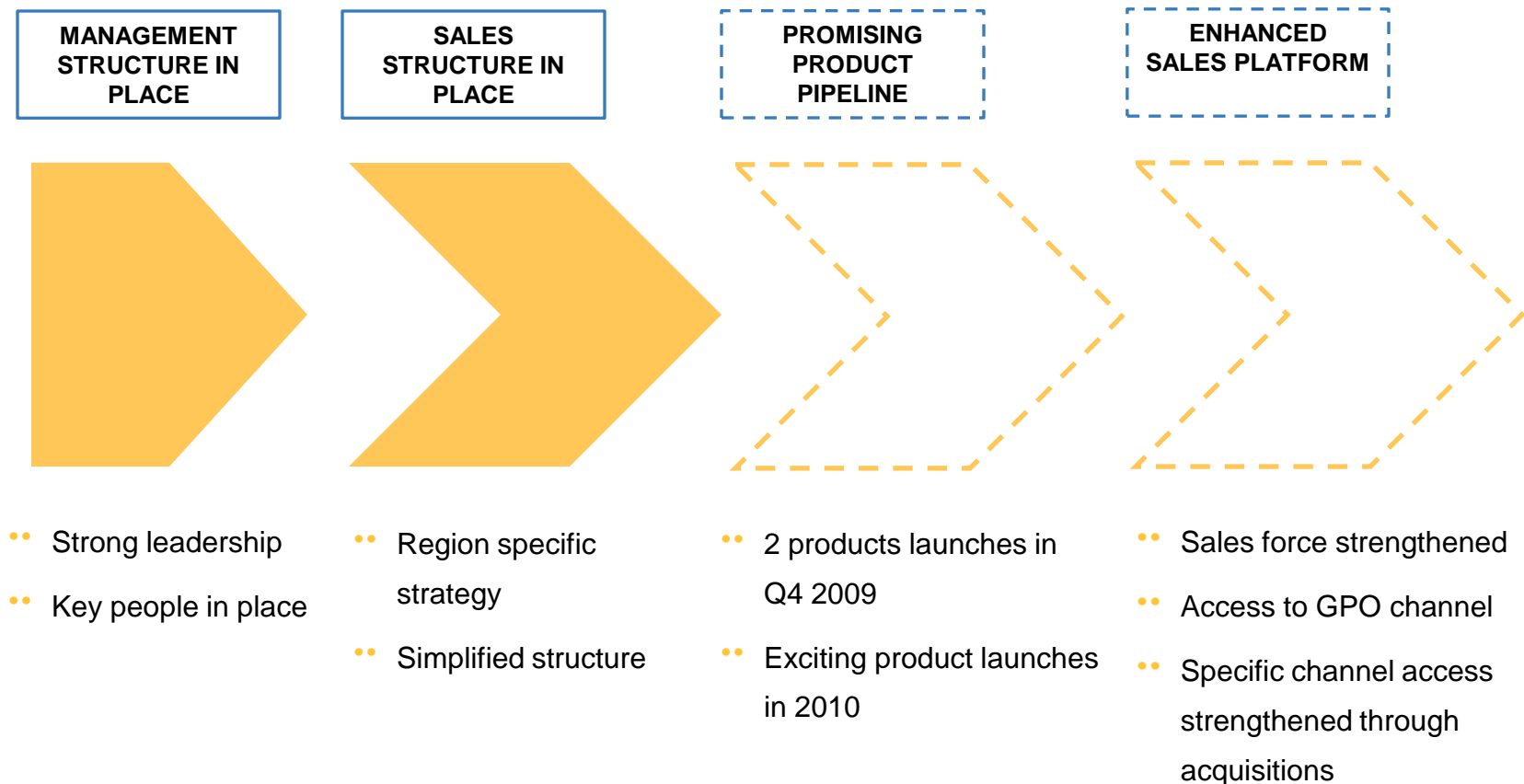
Note: All growth numbers in local currency

B&S – SIGNIFICANT PROGRESS MADE



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Strong leadership, new sales structure, promising product pipeline and enhanced sales platform will support Össur in achieving its objectives in 2010



IMPORTANT PRODUCT LAUNCHES IN 2009



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10 New products launched during the year



RHEO KNEE®

Redesigned and launched in 2009, the RHEO KNEE is an advanced prosthetic device that liberates its users to focus on their chosen activity, instead of having to think about how they are walking. Using sophisticated artificial intelligence, it continuously learns and adapts to an amputee's walking style and environment.



Vari-Flex® with EVO™

The well-established Vari-Flex prosthetic foot from the Flex-Foot® product family now incorporates Energy Vector Optimization technology (EVO) for the smoothest roll-over ever. Improved dynamic response and uncompromised stability through the gait cycle allows amputees to walk in complete comfort and confidence.



Miami Lumbar™

The Miami Lumbar is an easy-to-use spinal orthosis for post-surgical immobilization, pain relief, and the protection of injured ligaments or muscles. The superior anatomical design follows

FINANCIAL HIGHLIGHTS 2009



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- Slight decline in sales
- Profitable operations
- Healthy balance sheet
- Robust cash flow



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ÖSSUR HF
HJÖRLEIFUR PÁLSSON
CFO



FINANCIAL HIGHLIGHTS Q4 2009



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- Sales growth in all markets
- Increase in profits
- Excellent cash flow

GROWTH AND INCREASED PROFITS



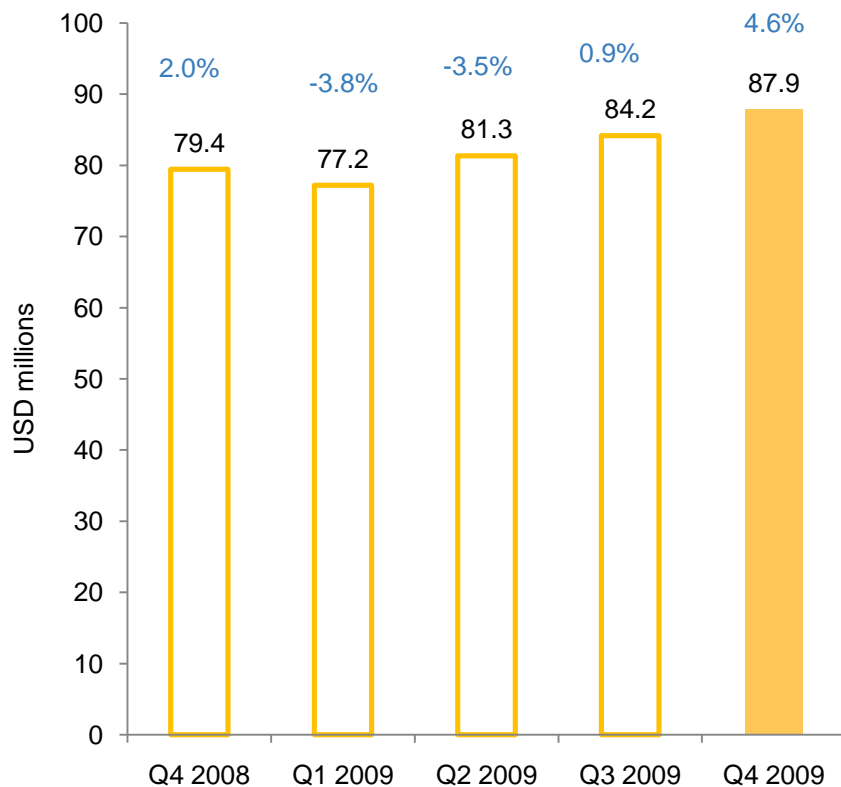
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Income Statements (USD '000)	Q4 2009	% of sales	Q4 2008	% of sales	Change
Net sales	87,871	100.0%	79,440	100.0%	10.6%
Gross profit	53,008	60.3%	49,011	61.7%	8.2%
Operating expenses (incl. other income)	-39,286	-44.7%	-38,196	-48.1%	2.9%
Profit from operations	13,722	15.6%	10,815	13.6%	26.9%
Net profit	8,074	9.2%	4,171	5.3%	93.6%
EBITDA	17,812	20.3%	16,324	20.5%	9.1%
EBITDA adjusted	17,812	20.3%	16,847	21.2%	5.7%

SALES – POSITIVE DEVELOPMENT



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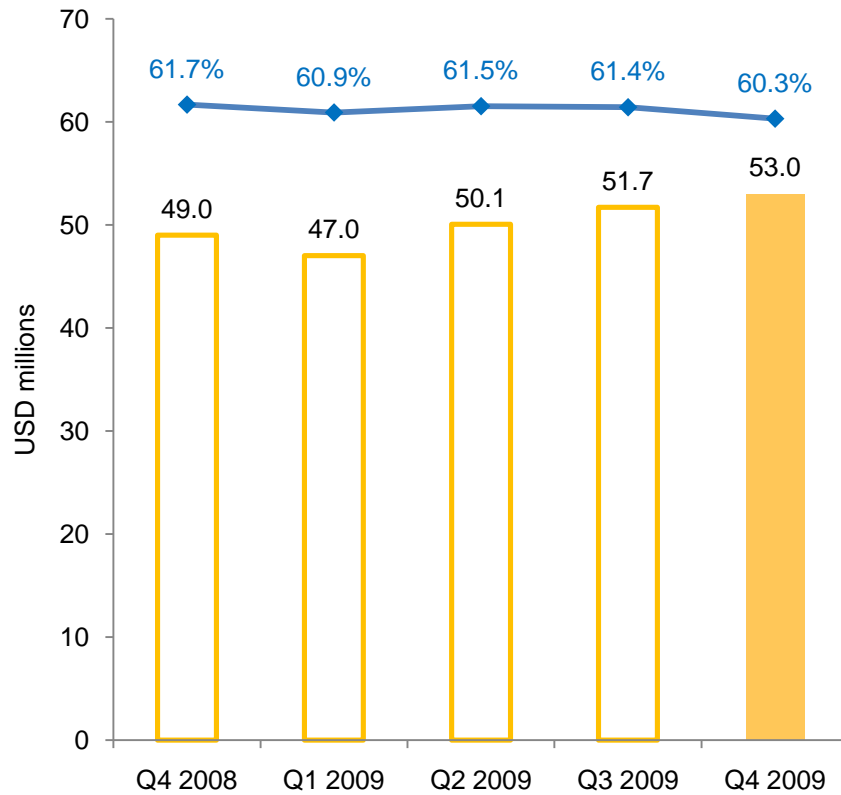
Growth numbers: Organic growth
Q4 2009: Organic growth 3.4% LCY

- Growth in all markets
- Prosthetics double digit growth
- B&S stabilizing
- Clear trend towards moderate growth

GROSS PROFIT – STABLE MARGINS



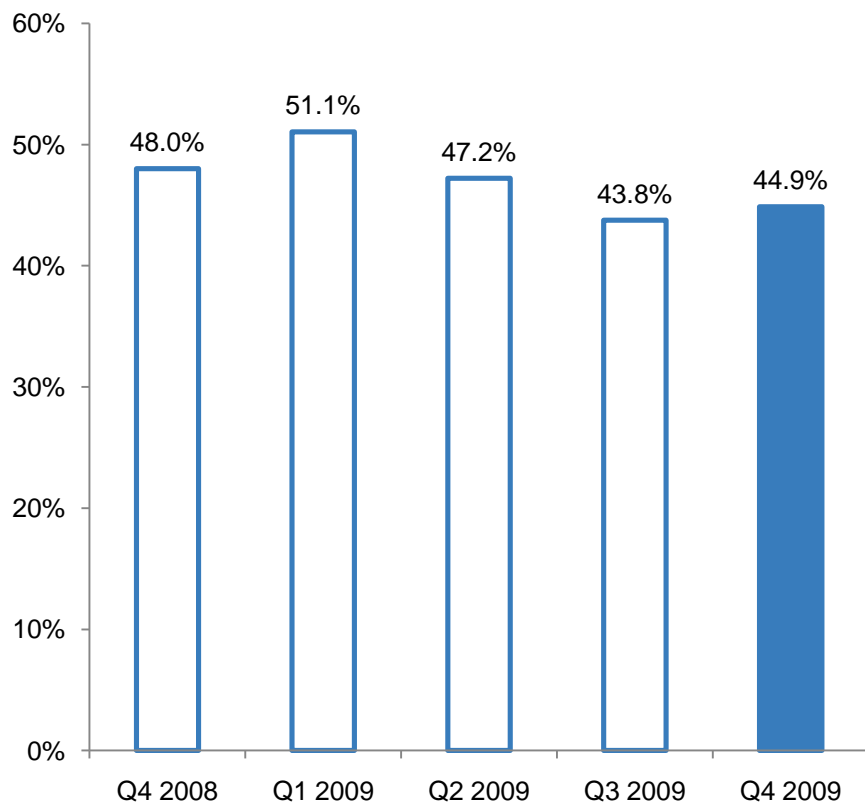
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OPERATING EXPENSES – MARGINAL DECLINE



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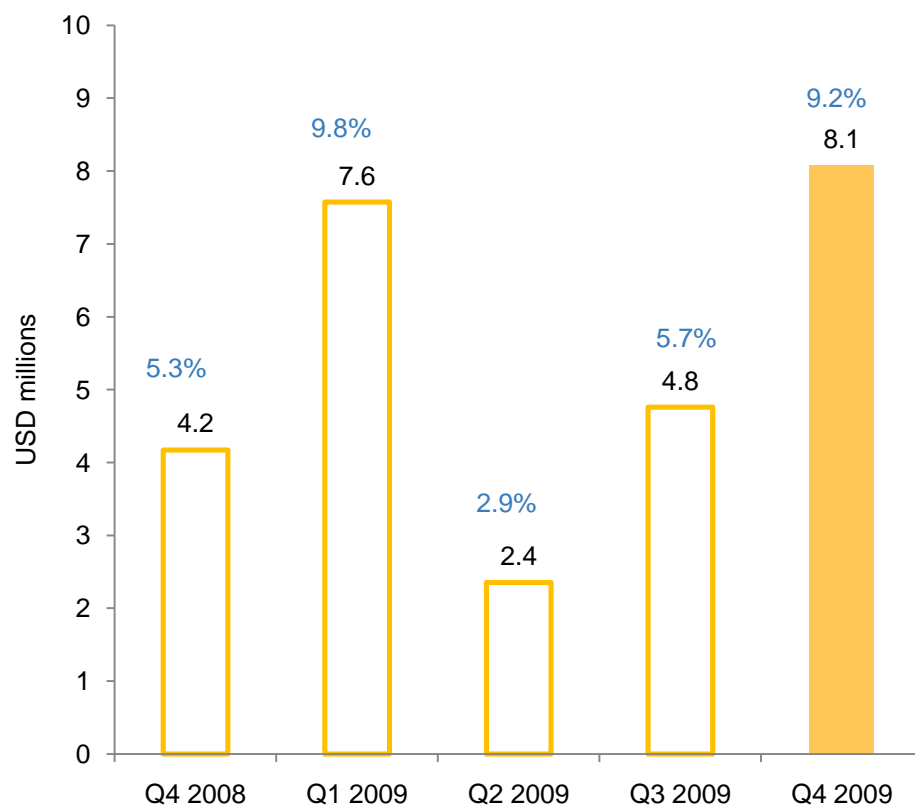


- S&M – more efficient structure in Americas
- R&D – investment within range
- G&A – similar expenses

NET PROFIT – IS UP



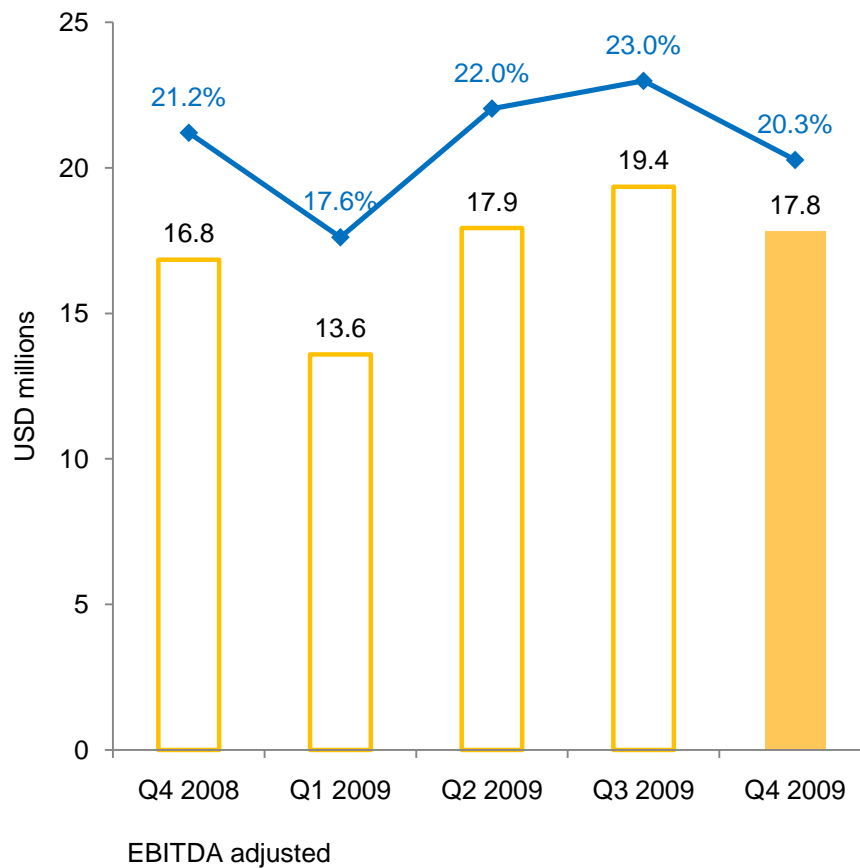
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20% EBITDA Q4



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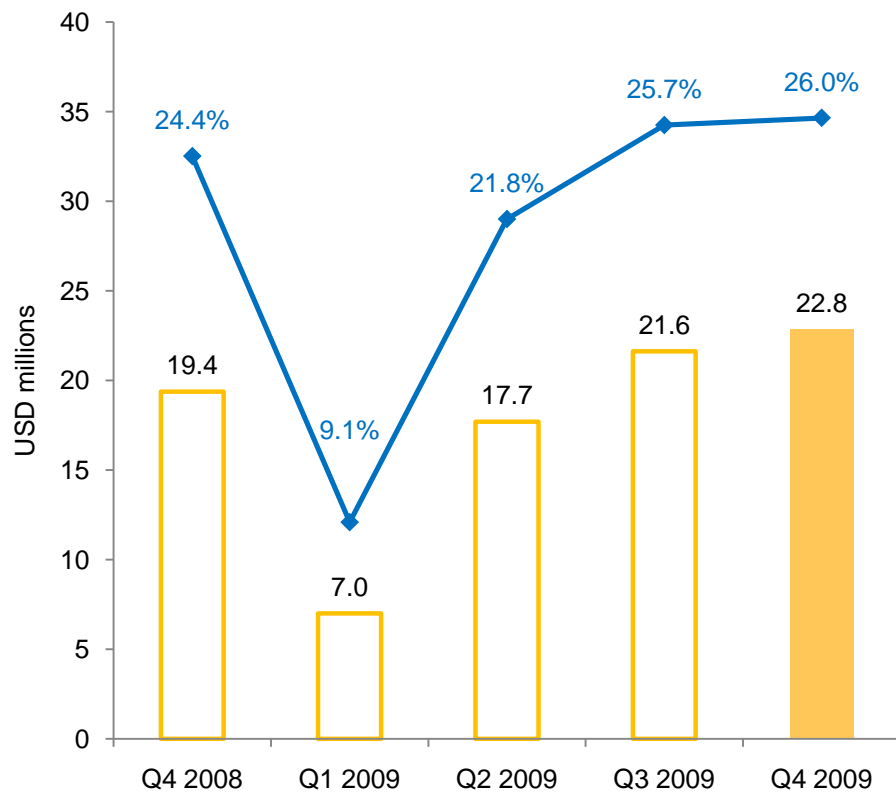


CASH FLOW – IS STRONG



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NET CASH PROVIDED BY OPERATING ACTIVITIES



- Increased cash conversion
- Investment in machinery
- Net cash from operations USD 23 million

BALANCE SHEETS 31 DECEMBER 2009



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USD '000	31 Dec 2009	31 Dec 2008
Non current assets	448,446	463,202
Current assets	179,771	140,576
Total assets	628,217	603,778
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Stockholders' equity	312,223	249,648
Non current liabilities	237,045	223,242
Current liabilities	78,949	130,888
Total equity and liabilities	628,217	603,778
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Current ratio	2.3	1.1
Equity ratio	50%	41%
Net interest bearing debt / EBITDA	2.4	2.9

- Strong cash position
- Equity ratio 50%
- Net interest bearing debt / EBITDA 2.4 times
- Secured financing – no covenant issues
- Debt profile to be internationalized

FINANCIAL HIGHLIGHTS Q4 2009



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- Sales growth in all markets
- Increase in profits
- Excellent cash flow
- Positive outlook



2009 Guidance vs. Actual

Sales: USD 310-320 million	331 million
EBITDA: USD 58-62 million	67 million
EBITDA margin: 18-19%	20%

Guidance 2010

Sales growth (LCY): 3 - 4%
EBITDA growth: 8 - 10%

Iceross Seal-In® X5



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Listed on NASDAQ OMX Copenhagen

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