



ÖSSUR INVESTOR MEETING Q1 2010

27 April 2010





Life Without Limitations



ÖSSUR HF.
JÓN SIGURÐSSON
President & CEO



Sales

USD 86 m

Strong Sales Growth

- Sales growth in B&S in Americas
- Continued strong growth in Prosthetics
- Overall sales growth 12%, 8% in LCY

Operations

EBITDA USD 18 m

Profitable Operations

- Gross profit margin 63%
- EBITDA 21%

Highlights

Key Highlights

- Successful product launches – 12 new products
- US Healthcare reforms - expected to materialize in 2013-2014

AMERICAS Q1 2010 – GOOD PERFORMANCE



Life Without Limitations



Americas 48% of total sales

- Sales growth 15%
- Continued prosthetics growth
 - RHEO strong contributor
- Growing in B&S sales
 - Positive results from changes made
 - Further opportunities through regional specific strategy

Note: All growth numbers in local currency



EMEA 48% of total sales

- Sales in EMEA were flat
- Prosthetics growing
- Sales of B&S declined, affecting overall performance of EMEA
- Compression therapy 2% decline

Note: All growth numbers in local currency

ASIA Q1 2010 – EXCELLENT PERFORMANCE



Life Without Limitations



Asia 4% of total sales

- Sales growth 20%
- Building up solid platform for future growth

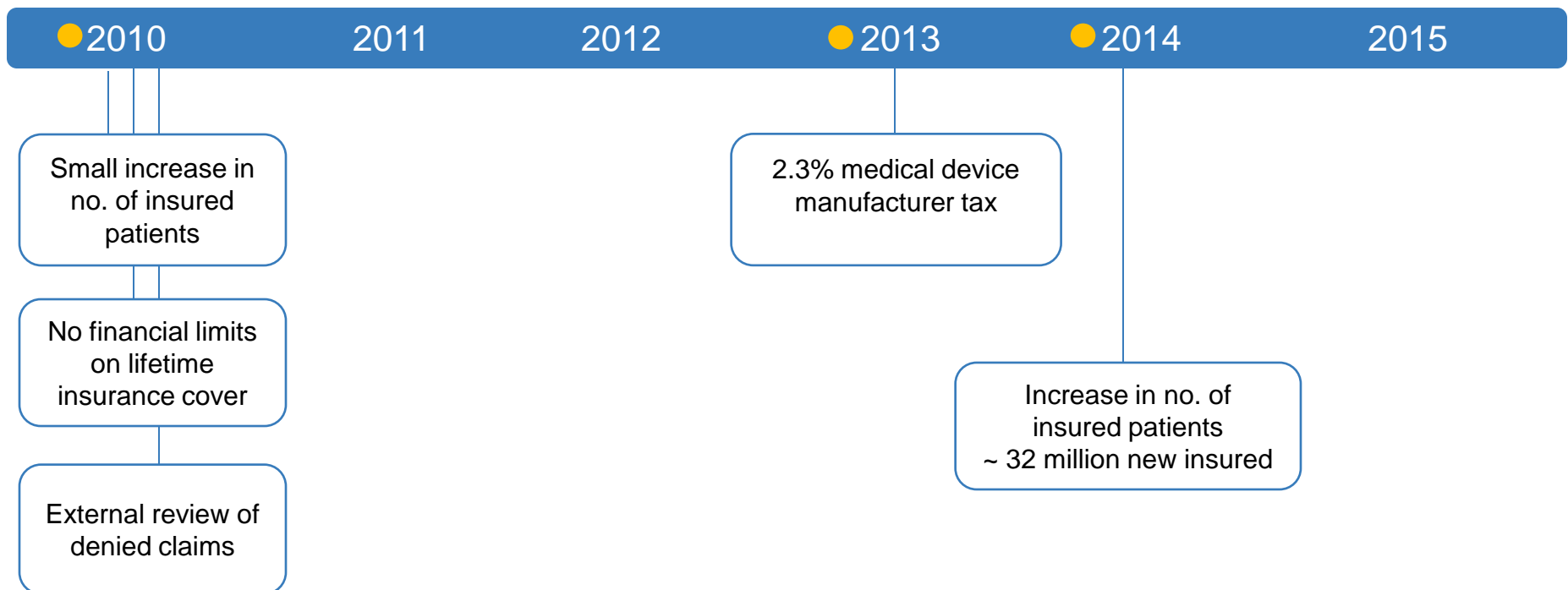
Note: All growth numbers in local currency

U.S. HEALTHCARE REFORM



Life Without Limitations

- *Most significant healthcare reform since 1965, highly controversial*



B&S PRODUCT PIPELINE DELIVERING



Life Without Limitations

Rebound Walker

Innovator DLX

Miami Lumbar
Rigid lumbar belt

Miami Lumbar
TLSO

ReResolve
Halo Vest

Miami J
Advanced*



•• January

•• February

•• March

PROSTHETIC PRODUCT PIPELINE REMAINS STRONG



Life Without Limitations

Iceross Comfort
Cushion

Iceross Dermo
Cushion

Iceross Synergy
Cushion

Flex-Foot
Balance

Total Knee
1100

Total Knee
2100



•• January

•• February

•• March



FINANCIALS Q1 2010
HJÖRLEIFUR PÁLSSON
CFO



FINANCIAL HIGHLIGHTS Q1 2010



Life Without Limitations



- Strong overall sales growth
- Good profits
- Healthy balance sheet

INCOME STATEMENTS Q1 2010



Life Without Limitations

Income Statements (USD millions)	Q1 2010	% of sales	Q1 2009	% of sales	Change	% change
Net sales	86.5	100.0%	77.2	100.0%	9.3	12.0%
Gross profit	54.1	62.6%	47.0	60.9%	7.1	15.0%
Operating expenses	-39.9	-46.2%	-39.2	-50.8%	-0.8	2.0%
Profit from operations	14.1	16.4%	7.8	10.2%	6.3	80.2%
Net profit	9.7	11.2%	7.6	9.8%	2.1	28.0%
EBITDA	17.8	20.6%	12.9	16.7%	5.0	38.6%
EBITDA adjusted*	16.6	19.2%	13.6	17.6%	3.0	22.0%

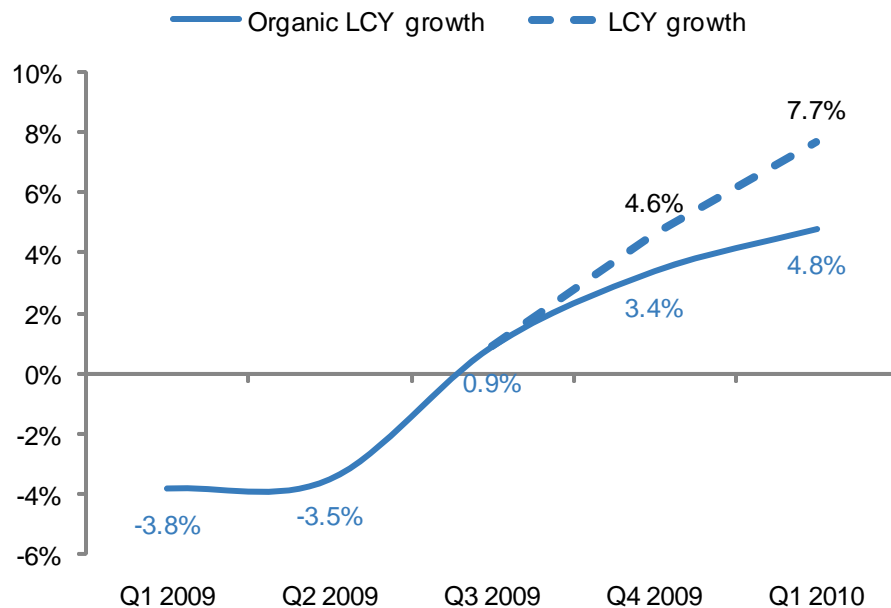
•2009 Adjusted for one-time expenses: USD 0.7 million

•2010 Adjusted for one-time income: USD 1.2 million

SALES – STRONG GROWTH



Life Without Limitations



USD m	Q1 2009	Q2 2009	Q3 2009	Q4 2009	Q1 2010
Net sales	77	81	84	88	86

- Overall 8% LCY sales growth
- B&S in Americas growing
- B&S in EMEA – slight decline
- Continued success in Prosthetics

SALES GROWTH BY SEGMENTS Q1 2010



Life Without Limitations

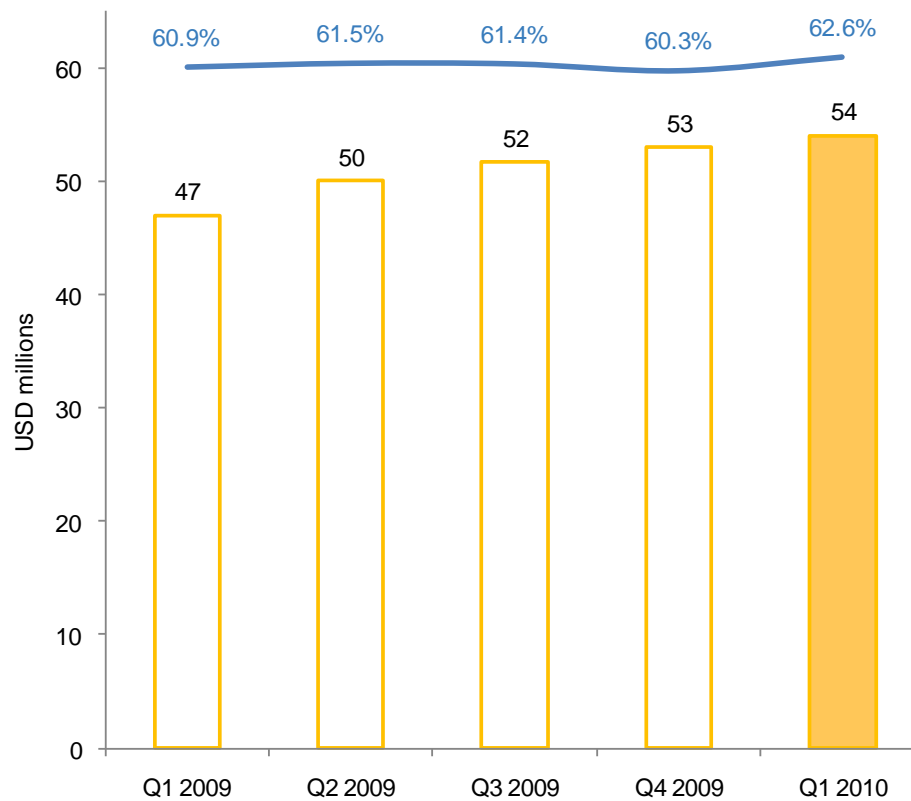
Sales by region / segments	Growth USD	Growth LCY	Organic growth LCY *
Americas	16%	15%	9%
EMEA	7%	0%	0%
Asia	29%	20%	20%
Total	12%	8%	5%
Prosthetics	15%	11%	11%
Bracing and supports	11%	6%	1%
Compression therapy	4%	-2%	-2%
Other products	0%	-7%	3%
Total	12%	8%	5%

* Excluding acquired entities

GROSS PROFIT – SLIGHT INCREASE IN EFFICIENCY



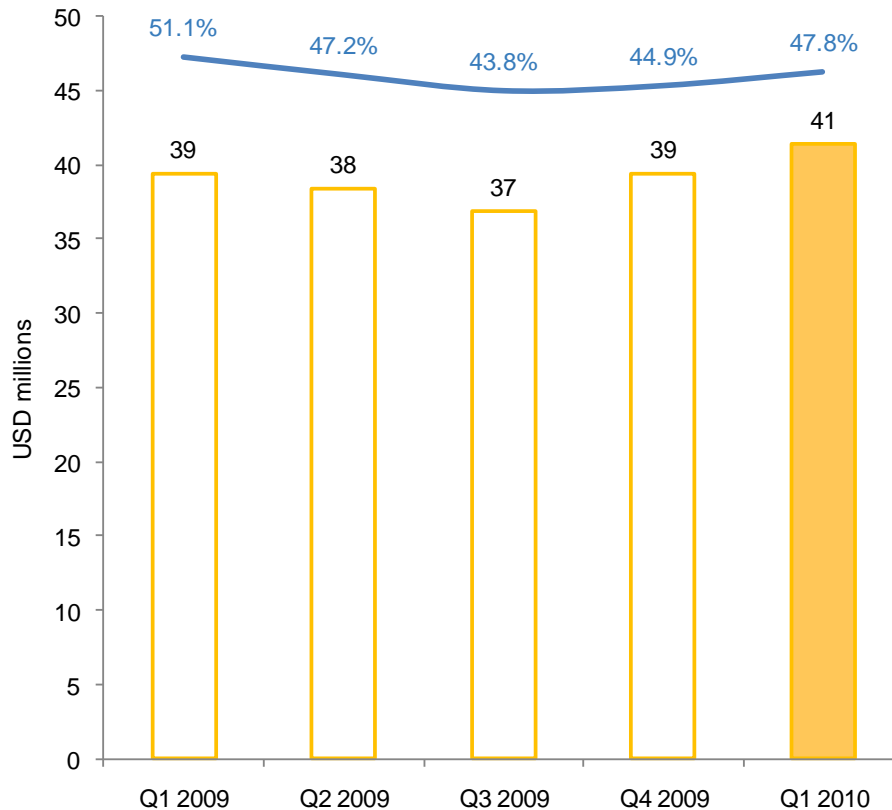
Life Without Limitations



OPERATING EXPENSES – STABLE IN REAL TERMS



Life Without Limitations

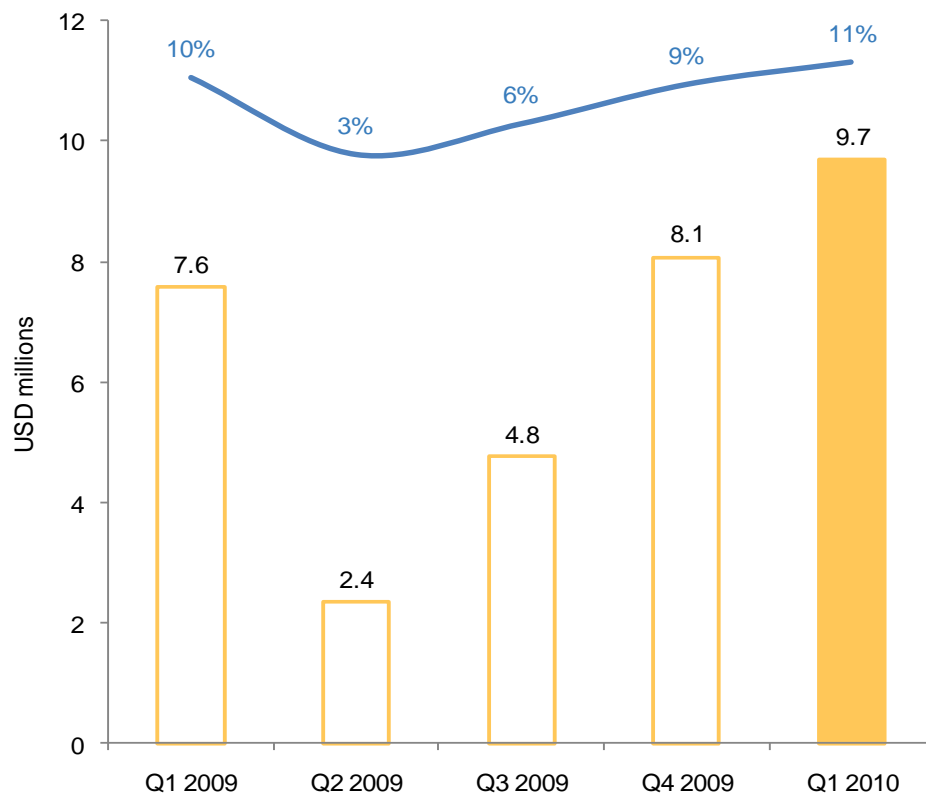


- Marginal increase in operating expenses
- S&M – investment in direct sales force
- R&D – emphasis on product pipeline
- G&A – similar levels
- Opportunities to benefit from economics of scale going forward

NET PROFIT – IS INCREASING



Life Without Limitations

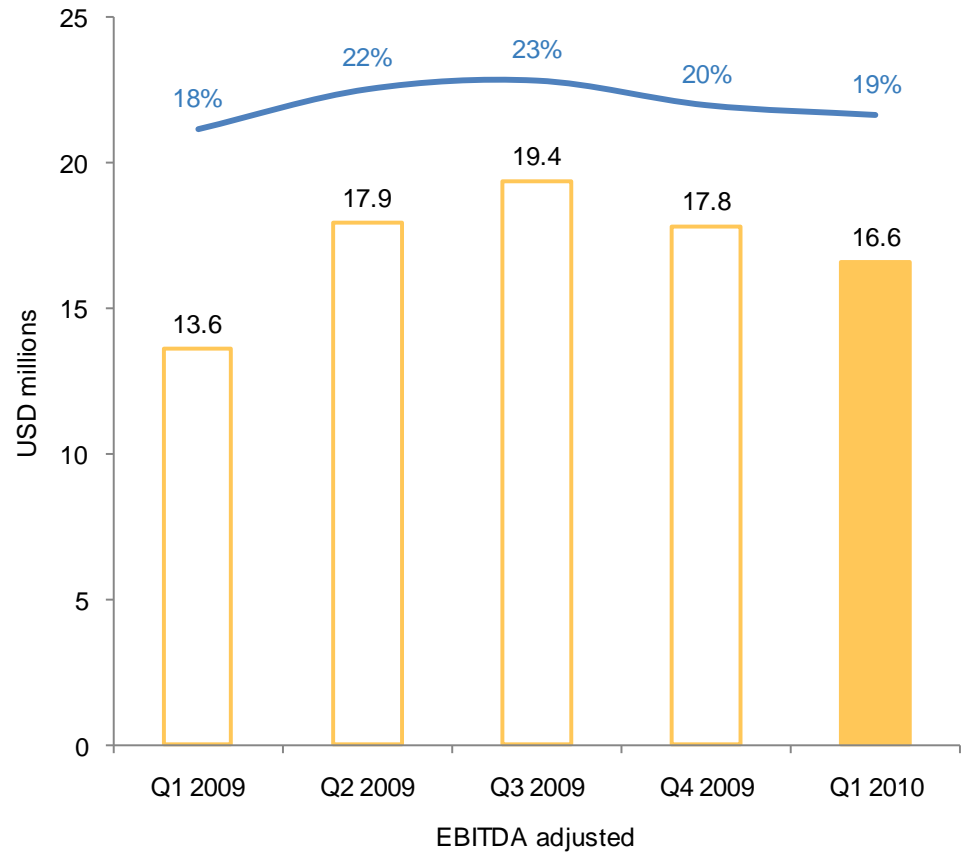


- Net profit up by USD 2.1 million, increasing 28%
- Driving profits up:
 - Increased efficiency
 - Favorable one time items
 - Lower amortizations
 - Acquired/sold entities
 - Slightly offset by negative exchange rate difference
- Net profit 9.7 million, 11% of sales

EBITDA MARGIN 19%



Life Without Limitations

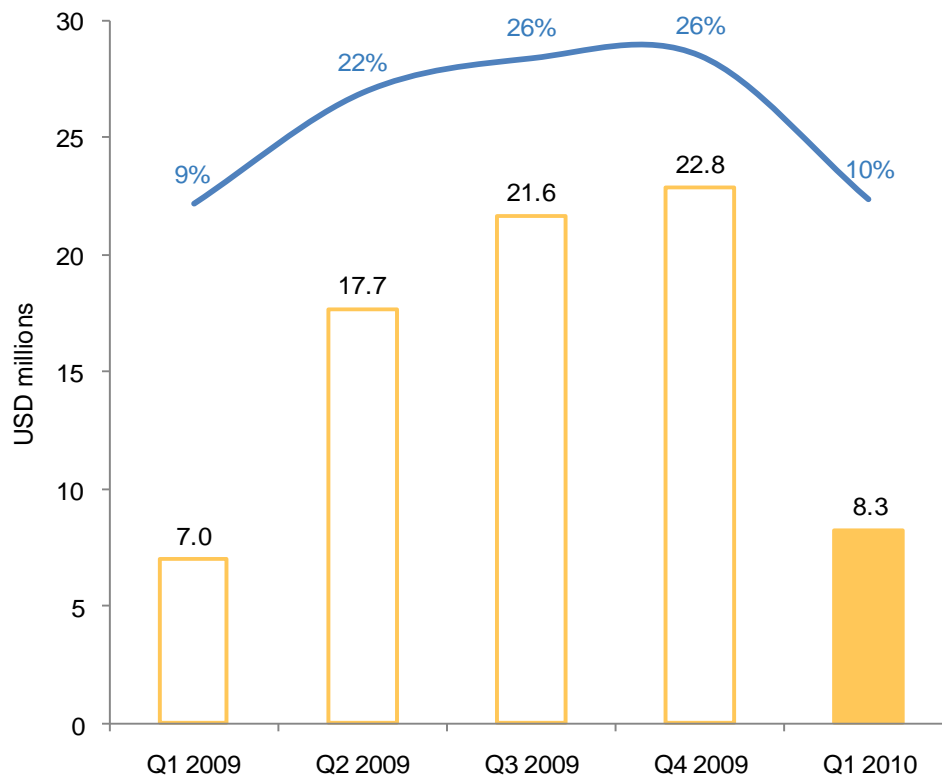


CASH FLOW – SEASONAL FLUCTUATIONS



Life Without Limitations

NET CASH PROVIDED BY OPERATING ACTIVITIES

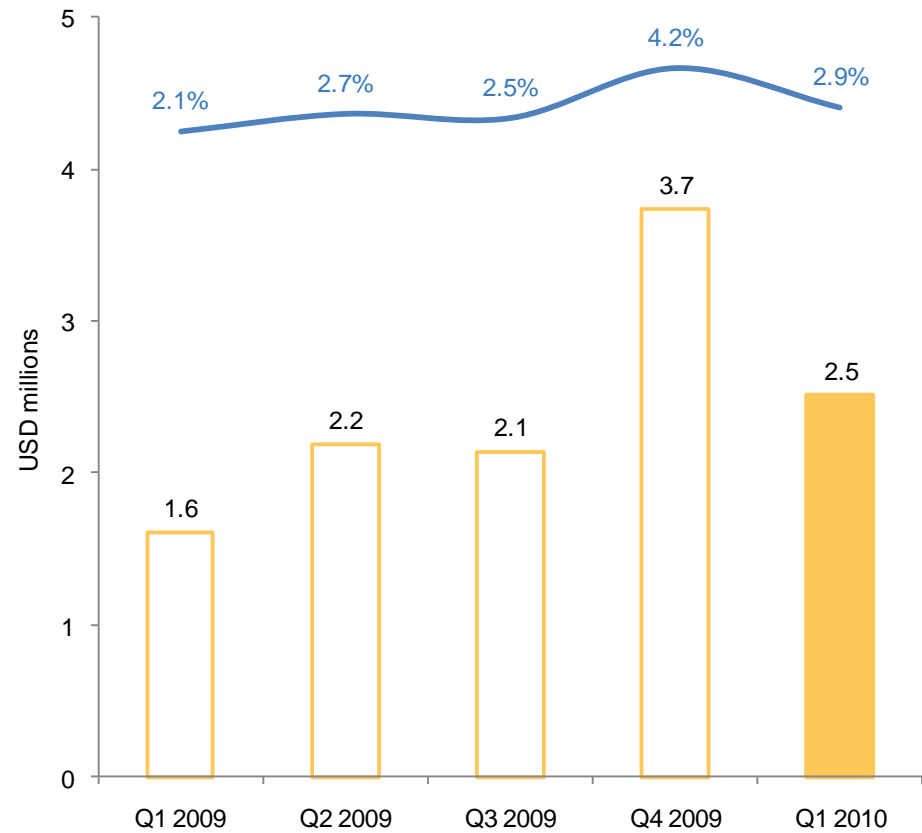


- Net cash from operations USD 8.3 million
- Prepayments USD 7.4 million
 - Prepayment USD 5 million
 - Prepayment USD 2.4 million - proceeds from sale of fixed assets
- Net change in cash negative USD 6.1 million

CAPEX – WITHIN BENCHMARK



Life Without Limitations



BALANCE SHEETS 31 MARCH 2010



Life Without Limitations

USD '000	31. Mar '10	31. Dec '09
Non current assets	435,022	448,446
Current assets	171,410	179,771
Total assets	606,432	628,217
Stockholders' equity	312,457	312,223
Non current liabilities	227,590	237,045
Current liabilities	66,385	78,949
Total equity and liabilities	606,432	628,217
Current ratio	2.6	2.3
Equity ratio	52%	50%
Net interest bearing debt / EBITDA	2.0	2.4

- Long term debt – maturity profile 2010 - 2015
- Net debt/EBITDA 2.0x
- Equity ratio 52%

FINANCIAL HIGHLIGHTS Q1 2010



Life Without Limitations



- Strong overall sales growth
- Good profits
- Healthy balance sheet

Guidance FY 2010

<i>Previous</i>		<i>Revised</i>
Sales growth*:	3 - 4%	4 - 6%
EBITDA growth*:	8 - 10%	>10%

*Organic local currency growth



WE IMPROVE PEOPLE'S MOBILITY



Listed on NASDAQ OMX Copenhagen

www.ossur.com



Life Without Limitations®