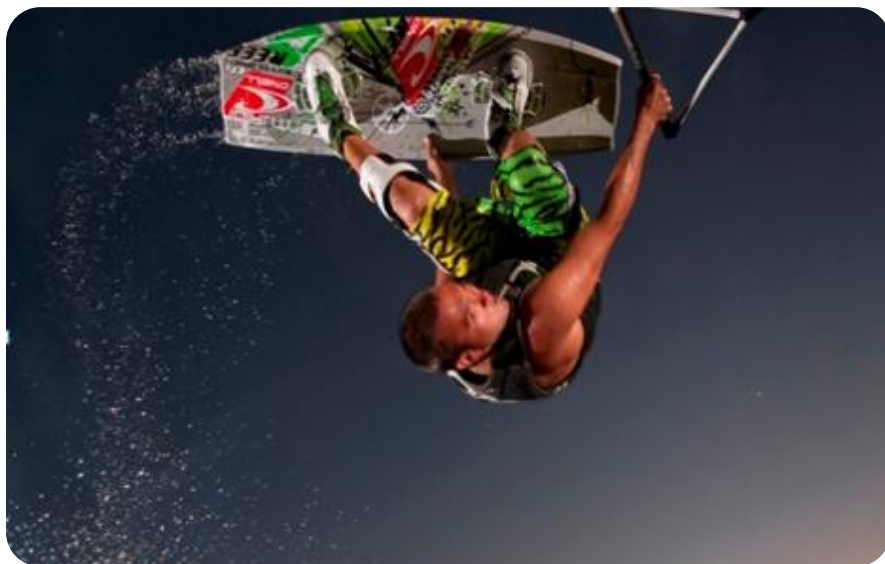






Life Without Limitations



**ÖSSUR HF.**  
**JÓN SIGURÐSSON**  
*President & CEO*



## Sales

USD 90 m

### *Double digit growth*

- All segments growing
- Overall 12% growth, LCY

## Operations

EBITDA USD 20 m

### *Profits remain strong*

- Gross profit margin 62%
- EBITDA margin 22%

## Highlights

### *Key highlights*

- Good performance across all markets
- California offices consolidated into one location

# AMERICAS Q2 2010 – EXCELLENT GROWTH



Life Without Limitations

## *Americas 52% of total sales*

- Sales growth 12%
- Continued strong prosthetics growth
- Excellent B&S sales growth
  - Momentum in functional bracing
  - Shifting from custom made to off the shelf products
  - Success of new products



Note: All growth numbers in local currency excluding Team Makena



## *EMEA 44% of total sales*

- Sales growth 7%
- Strong prosthetics growth
- Bracing and supports growing in line with market growth
- Compression therapy 5%, above market growth
- Acquisition of OP Africa, Össur's B&S distributor in South Africa
- Success in Leipzig, the largest O&P tradeshow in Europe

Note: All growth numbers in local currency

## *Asia 4% of total sales*

- Sales growth 13%
- Both segments performing well
- Building a strong platform



Note: All growth numbers in local currency

# SUCCESSFUL B&S PRODUCT PIPELINE



Life Without Limitations

## Product launches YTD:

Miami Lumbar  
Rigid lumbar belt



Miami Lumbar  
TLSO



ReSolve  
Halo Vest



Miami J  
Advanced



Rebound Walker



Innovator DLX



•• Q1

Techform Premium &  
Standard



Formfit 45



•• Q2

# PROSTHETIC PRODUCT PIPELINE REMAINS STRONG



Life Without Limitations

## Product launches YTD:

Iceross Comfort  
Cushion

Iceross Dermo  
Cushion

Iceross Synergy  
Cushion

Flex-Foot  
Balance

Total Knee  
1100

Total Knee  
2100



•• Q1

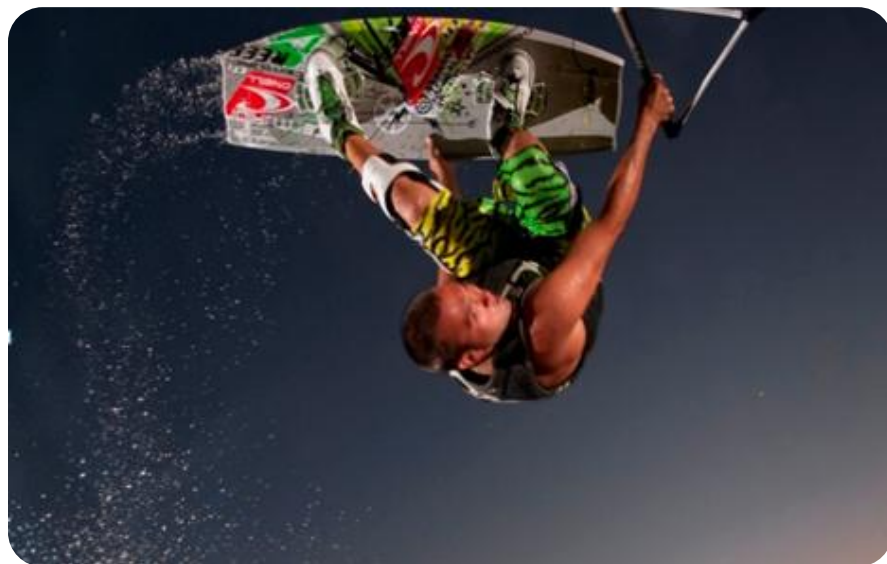
Iceross Comfort  
Wave

Talux Sandal Toe



•• Q2





# FINANCIAL HIGHLIGHTS Q2 2010



*Life Without Limitations*



- Excellent growth
- Good profits

# INCOME STATEMENTS Q2 2010



Life Without Limitations

Income Statements (USD millions)	Q2 2010	% of sales	Q2 2009	% of sales	Change	% change
Net sales	90.0	100.0%	81.3	100.0%	8.7	10.7%
Gross profit	55.6	61.7%	50.1	61.5%	5.5	11.0%
Operating expenses	-39.5	-43.9%	-38.3	-47.1%	-1.2	3.1%
Profit from operations	16.0	17.8%	11.8	14.5%	4.2	35.6%
Net profit	13.6	15.1%	2.4	2.9%	11.2	466.7%
EBITDA	19.6	21.7%	17.0	20.8%	2.6	15.3%
EBITDA adjusted*	20.0	22.3%	17.9	22.0%	2.1	11.7%

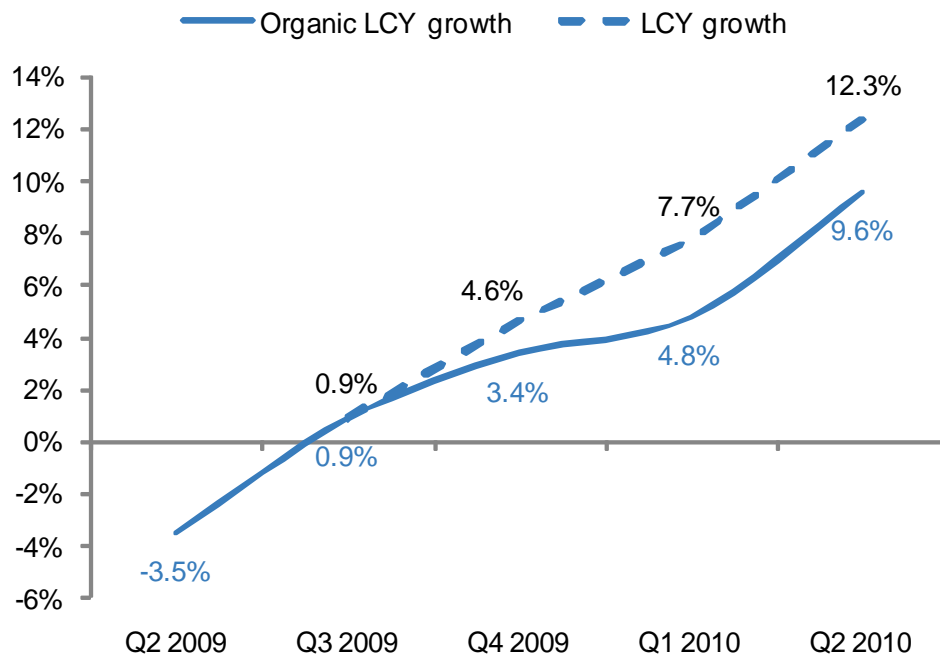
\*2009 Adjusted for one-time expenses: USD 1.0 million

\*2010 Adjusted for one-time expenses: USD 0.5 million

# SALES – EXCELLENT DEVELOPMENT



Life Without Limitations



- Good sales growth across all segments
- B&S sales growth:
  - Americas above market
  - EMEA in line with market
- Prosthetics, continued success
- Moderate growth expected in Q3/Q4

Note: Organic LCY growth excludes acquisitions

# SALES GROWTH BY SEGMENTS Q2 2010



Life Without Limitations

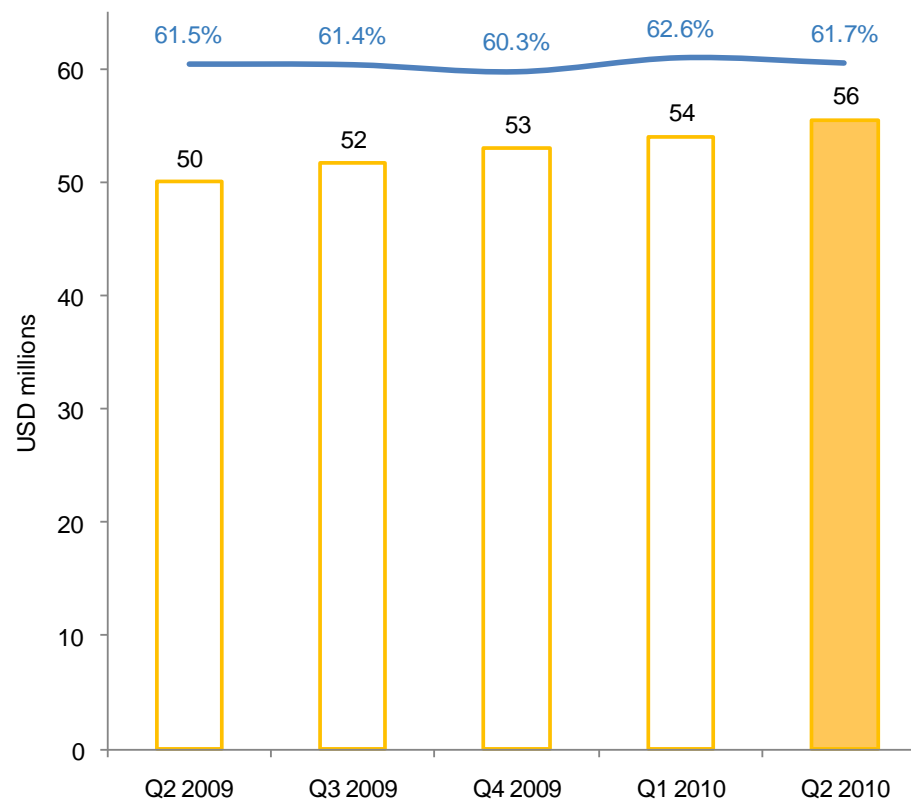
Sales by region / segments	Growth USD	Growth LCY	Organic growth LCY *
Americas	19%	18%	12%
EMEA	2%	7%	7%
Asia	17%	13%	13%
<b>Total</b>	<b>11%</b>	<b>12%</b>	<b>10%</b>
Prosthetics	14%	15%	15%
Bracing and supports	10%	11%	6%
Compression therapy	0%	7%	5%
<b>Total</b>	<b>11%</b>	<b>12%</b>	<b>10%</b>

\* Excluding acquired entities

# GROSS PROFIT – CONSISTENT PERFORMANCE



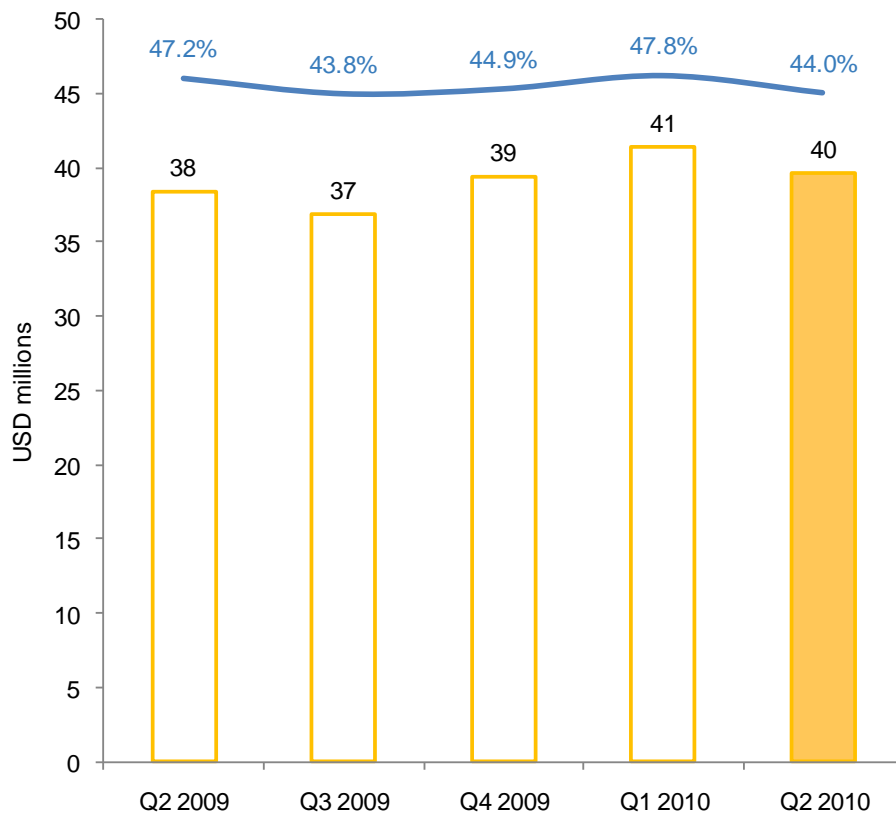
Life Without Limitations



# OPERATING EXPENSES – STABLE



Life Without Limitations



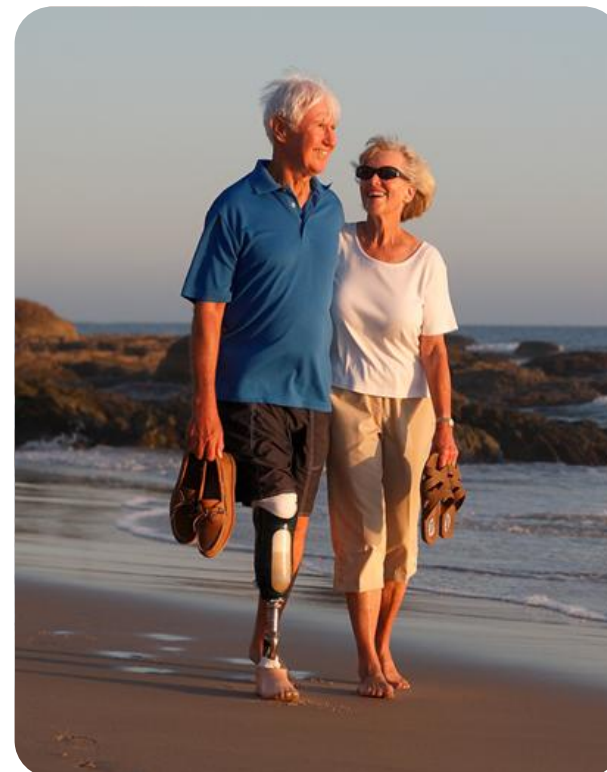
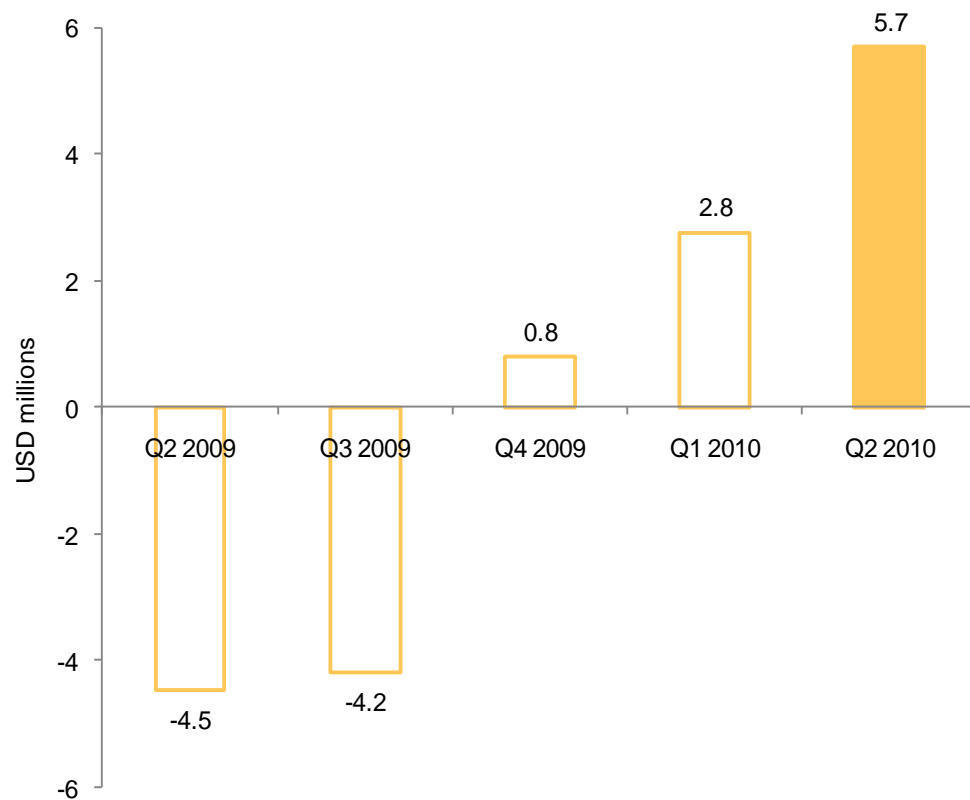
- S&M – Expanding sales platforms
- R&D – Consistent investment
- G&A – Flat in absolute terms

# EXCHANGE RATE MOVEMENTS – VOLATILE



Life Without Limitations

FINANCIAL ITEMS: NET EXCHANGE RATE DIFFERENCES

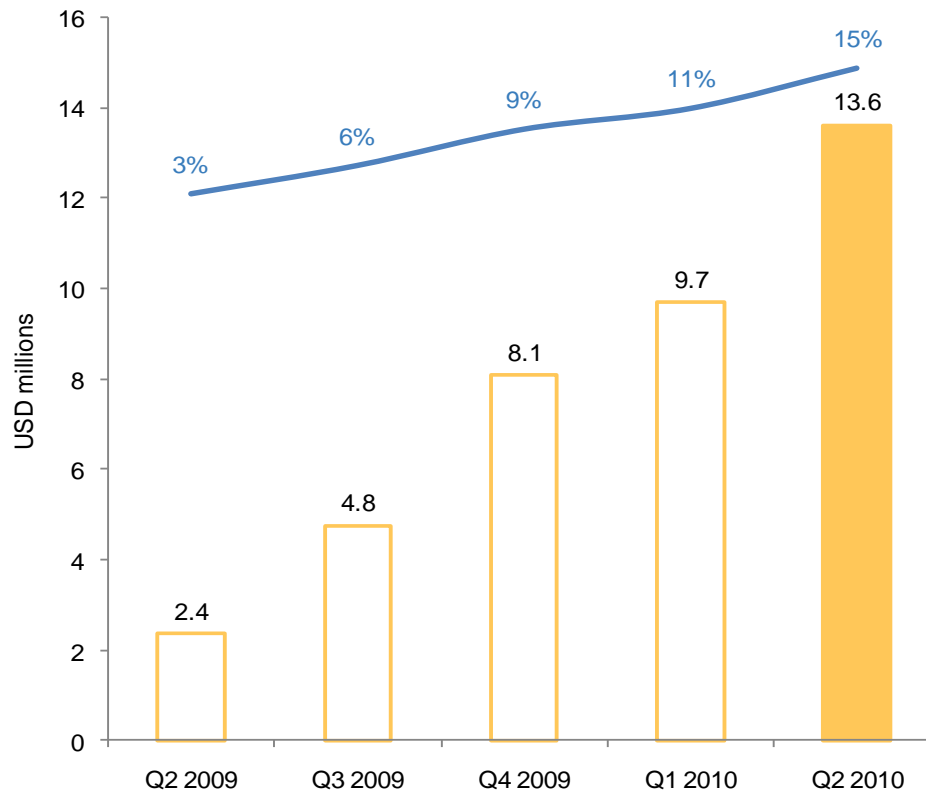




# NET PROFIT – INCREASING



Life Without Limitations

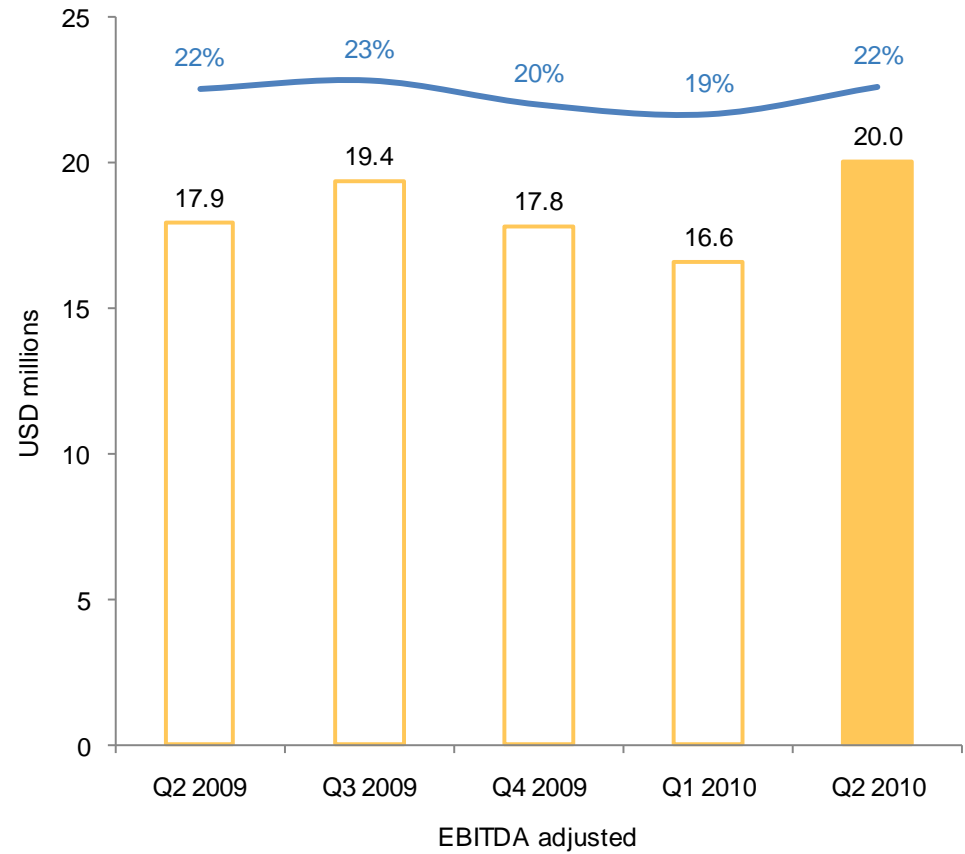


- Net profit up by USD 11.2 million
- Significant exchange rate impact
- Growth driving profits

# EBITDA MARGIN – 22%



Life Without Limitations

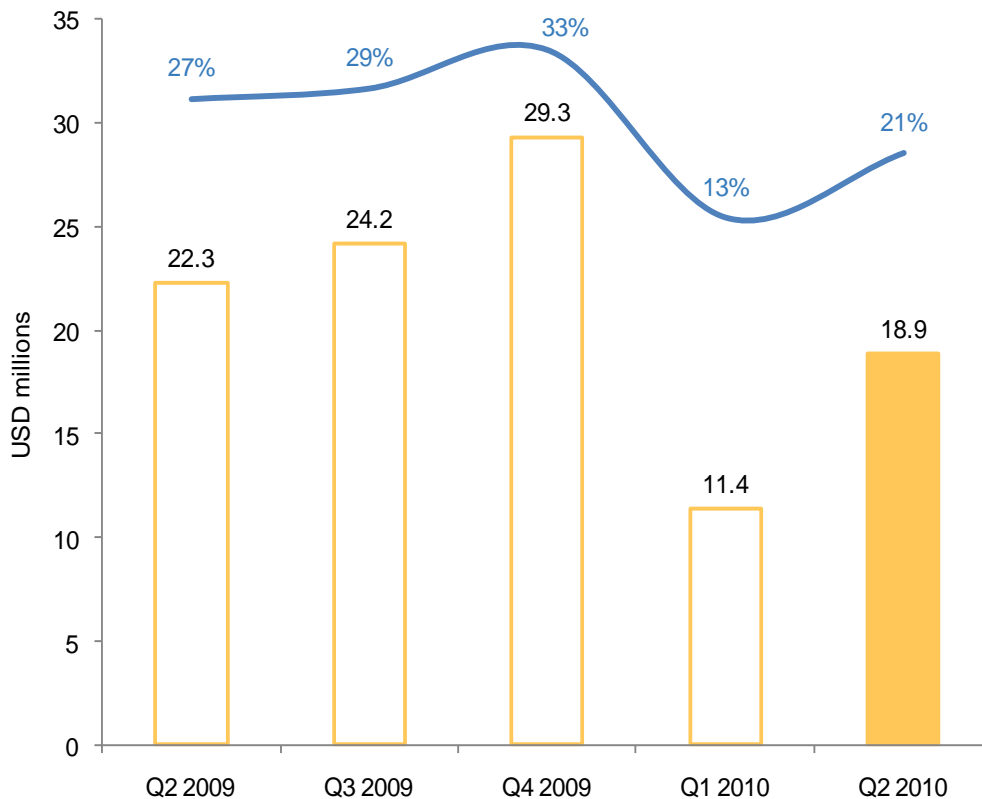


# CASH FLOW



Life Without Limitations

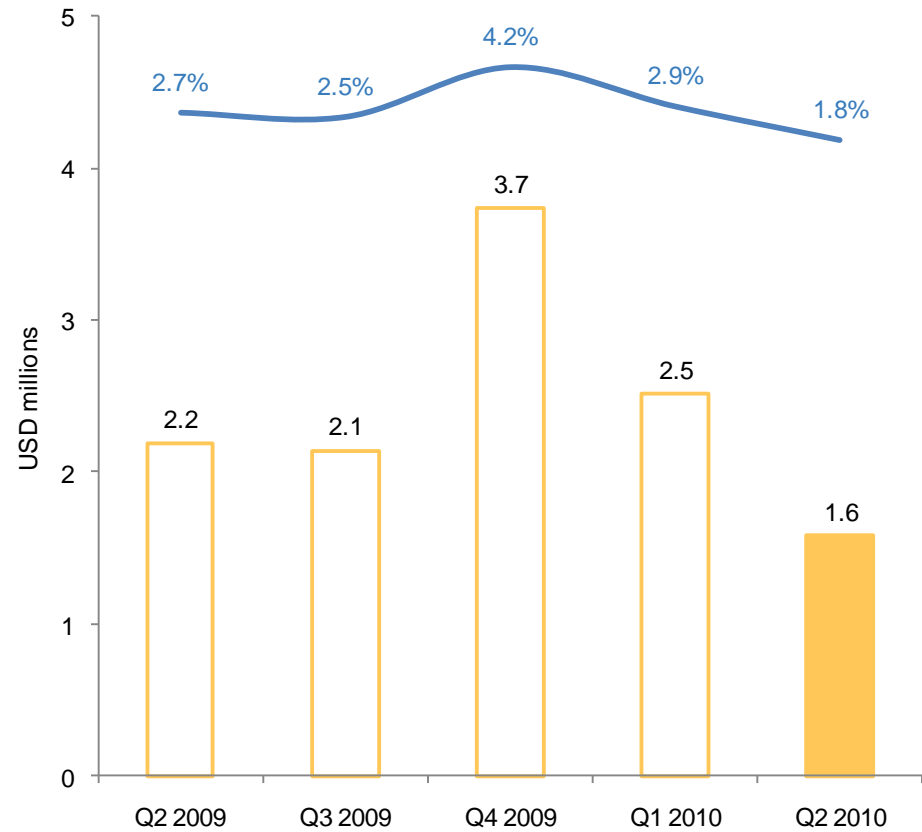
### CASH GENERATED BY OPERATIONS



# CAPEX – BELOW BENCHMARK



Life Without Limitations



# BALANCE SHEETS 30 JUNE 2010



Life Without Limitations

USD '000	30. June '10	31. Dec '09
Non current assets	417,279	448,446
Current assets	162,870	179,771
<b>Total assets</b>	<b>580,149</b>	<b>628,217</b>
Stockholders' equity	311,510	312,223
Non current liabilities	193,330	237,045
Current liabilities	75,309	78,949
<b>Total equity and liabilities</b>	<b>580,149</b>	<b>628,217</b>
Current ratio	2.2	2.3
Equity ratio	54%	50%
Net interest bearing debt / EBITDA	1.8	2.4



# FINANCIAL HIGHLIGHTS Q2 2010



*Life Without Limitations*



- Excellent growth
- Good profits



*Guidance – Management estimates LCY organic sales growth will be at the top end, or even slightly above the previously guided range of 4-6% for the full year. LCY organic EBITDA growth is expected to be above 10%*

***Guidance 2010***

**Sales growth (LCY): 4 - 6%**

**EBITDA growth: (LCY) >10%**





# WE IMPROVE PEOPLE'S MOBILITY



Listed on NASDAQ OMX Copenhagen

[www.ossur.com](http://www.ossur.com)



*Life Without Limitations®*