

ÖSSUR Q2 2011
INVESTOR MEETING

29 July 2011



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FORWARD LOOKING STATEMENTS



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This presentation contains forward-looking statements, which reflect the Management's current views with respect to certain future events and financial performance. Although the statements are based upon estimates the Management believes to be reasonable, there is no assurance that these statements will be achieved.

Statements containing the financial outlook for 2011 and the following years naturally involve risks and uncertainties, and consequently actual results will differ, and may differ materially, from those projected or implied in the forward-looking statements.

The risks and uncertainties may include unexpected developments in the international currency exchange and securities markets, financing, market driven price decreases for Össur's products, delay or failure of development products, production problems and unexpected cost increases, development of new technologies by competitors, the introduction of competing products within Össur's core areas, exposure to product liability and other lawsuits, changes in reimbursement rules and governmental laws.

AGENDA – Q2 2011



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AGENDA

Operations

Financials

Guidance

Q&A

ÖSSUR HF.

JÓN SIGURÐSSON

President & CEO



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HIGHLIGHTS

- Economic environment – minimal effect
- Competitive landscape – competition in bionics
- US healthcare reforms – no immediate impact
- Market growth outlook – stable environment

HIGHLIGHTS Q2 2011



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Sales

USD 105 m

Record sales, 17% growth in USD

- Overall 10% growth LCY
- Prosthetics 4% LCY
- B&S 16% LCY

Operations

EBITDA USD 20 m

Consolidating manufacturing

- Gross profit margin 60%
- EBITDA margin 19%

Highlights

Key highlights

- Mexico project on track
- Healthy flow of new products

AMERICAS Q2 2011 – EXCELLENT B&S GROWTH



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Americas 51% of total sales

- Sales growth 14%
- B&S
 - Gaining market share
 - New products contributing
 - Impacted by external growth
- Prosthetics
 - Comparing to a record quarter
 - Proprio performing well

Note: All growth numbers in local currency including investments





EMEA 45% of total sales

- Sales growth 5%
- B&S
 - Good sales in all main markets
 - Weak quarter in France
- Prosthetics
 - Excellent performance across all markets and all major product segments
- Compression therapy 5% growth

Note: All growth numbers in local currency including investments

ASIA Q2 2011 – STRONG QUARTER



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Asia 4% of total sales

- Sales growth 13%
- Excellent growth in both bracing and supports and prosthetics



Note: All growth numbers in local currency

SALES GROWTH BY SEGMENTS Q2 2011



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Sales by regions/segments	Growth USD	Growth LCY	Organic Growth LCY*
Americas	15%	14%	4%
EMEA	18%	5%	4%
ASIA	19%	13%	13%
Total	17%	10%	5%
Bracing and supports	23%	16%	5%
Prosthetics	10%	4%	4%
Compression therapy	19%	5%	5%
Total	17%	10%	5%

* Excluding acquired entities

PRODUCT LAUNCHES Q2 – FIVE NEW PRODUCTS



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● FORM FIT KNEE BRACE

- Knee brace used to limit the range of motion of the user



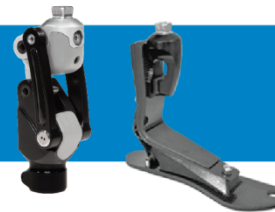
● MVP CONTOUR

- Ligament brace that can easily be tailored to achieve a customized fit



● RE-FLEX SHOCK

- A foot designed for high activity users



● BALANCE KNEE
● BALANCE FOOT

- First two products in a new high-end product line designed for low mobility users

OSCAR PISTORIUS



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Has achieved qualification for the able-body World Championships in South Korea



- Personal best of 45.07 seconds (400 m) achieved in July. Ranked 15th fastest time in the world
- Potential to become the first amputee ever to participate in the Olympics
- Extreme media interest



FINANCIALS Q2 2011

HJÖRLEIFUR PÁLSSON

CFO



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Sales

- Good overall organic growth
- Varying growth across markets

EBITDA

- Impacted by manufacturing consolidation
- Increasing S&M capacity
- Different cost structure in acquired companies

INCOME STATEMENTS Q2 2011



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Income Statements USD m	Q2 2011	% of sales	Q2 2010	% of sales	Change	% Change
Net sales	105.0	100%	90.0	100%	15.0	17%
Gross profit	63.4	60%	55.6	62%	7.8	14%
Operating expenses*	-46.5	-44%	-39.5	-44%	-7.0	18%
Profit from operations	16.9	16%	16.0	18%	0.9	6%
Financial income / (expenses)	-2.8	-3%	1.9	2%	-4.7	-250%
Net profit	10.3	10%	13.6	15%	-3.3	-24%
EBITDA	19.9	19%	19.6	22%	0.3	2%
EBITDA adjusted**	21.2	20%	20.0	22%	1.2	6%

*Including other income

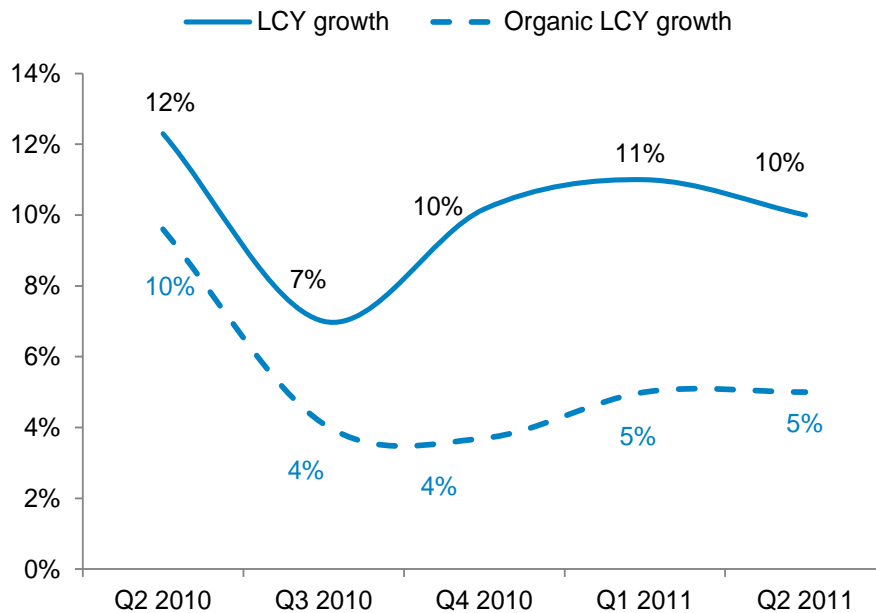
**Adjusted for one-time items:

USD million	Gains	Expenses	Net effect
Q2 2011	-0.6	1.9	1.3
Q2 2010	0	0.4	0.4

SALES – GOOD OVERALL ORGANIC GROWTH



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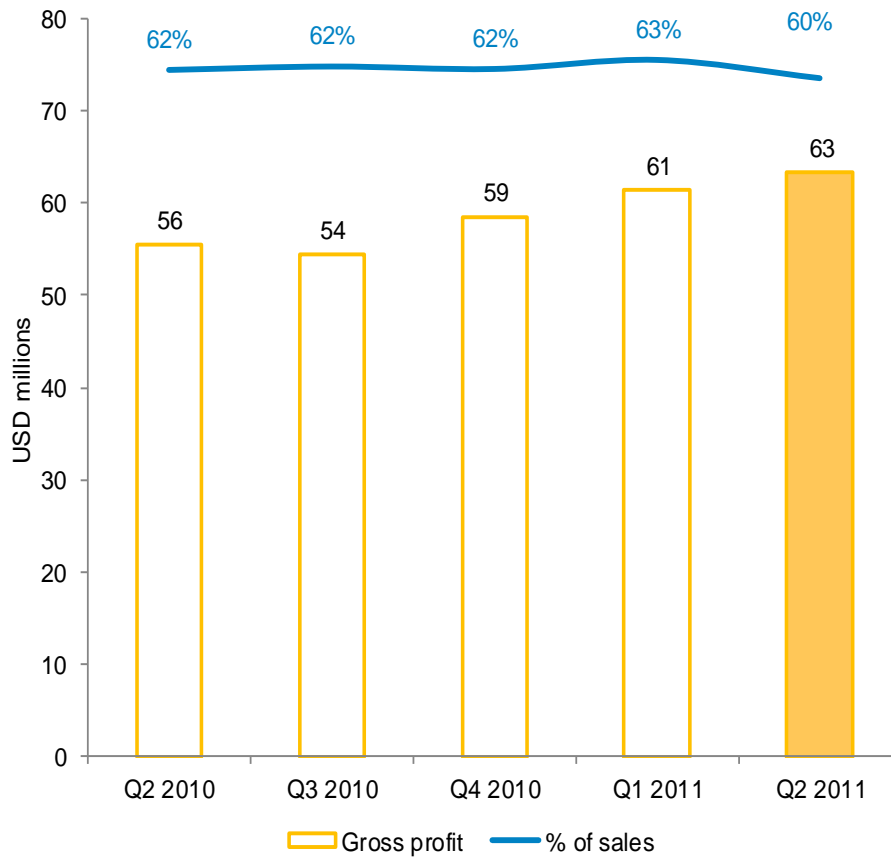


- Varying growth across markets
- B&S
 - Overall 5% organic LCY growth
 - Continued success in Americas
 - Decline in France
- Prosthetics
 - Overall 4% organic LCY growth
 - Outstanding quarter in EMEA
 - Americas slow

GROSS PROFIT – CONSOLIDATING MANUFACTURING



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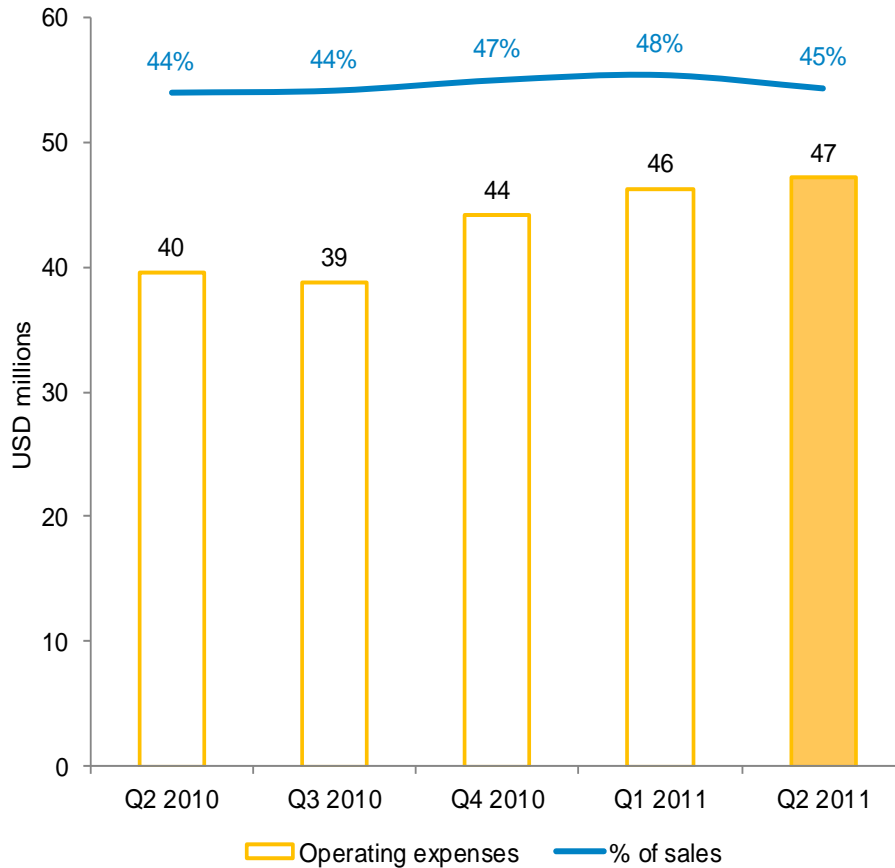


- Mexico facility
 - Relocation of US manufacturing
 - One-time expenses USD 1.6 million
 - GPM 62% adjusted for one-time items
 - Expected COGS savings in 2012 USD 4 million

OPERATING EXPENSES – INCREASED INVESTMENT



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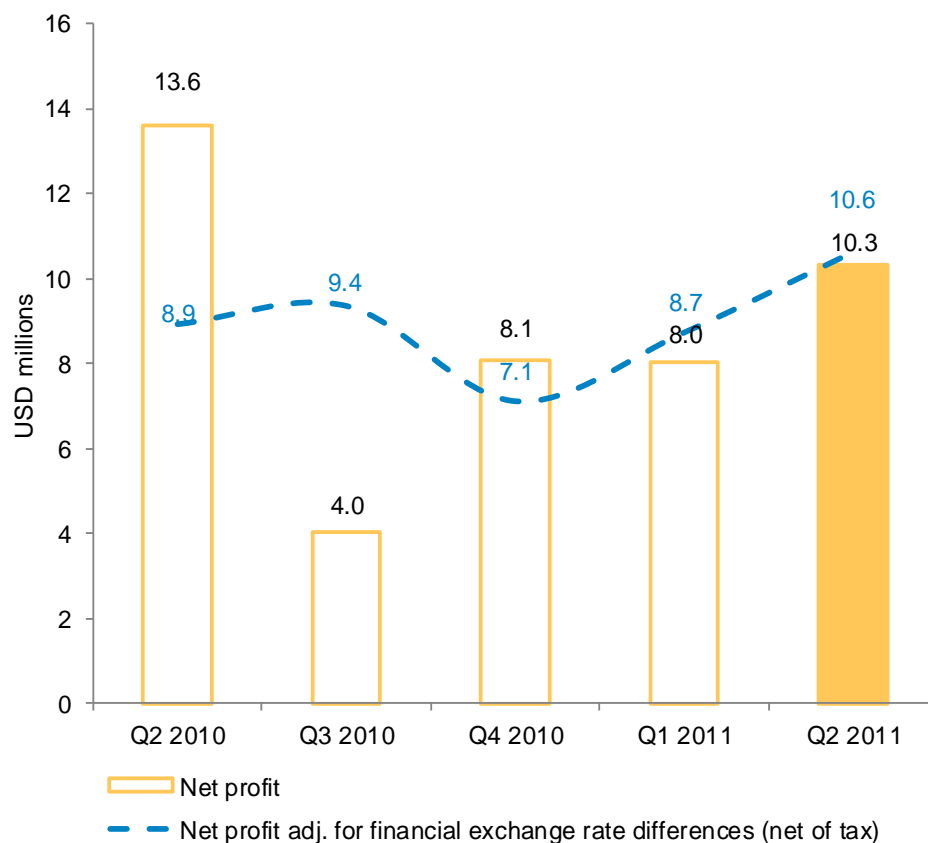


- Increasing S&M capacity
 - Expanding sales force primarily in Germany and France
- R&D marginal increase
 - Increased absolute investment
 - Decreased amortization
- G&A increasing due to acquisitions

NET PROFIT – HEALTHY PROFITS



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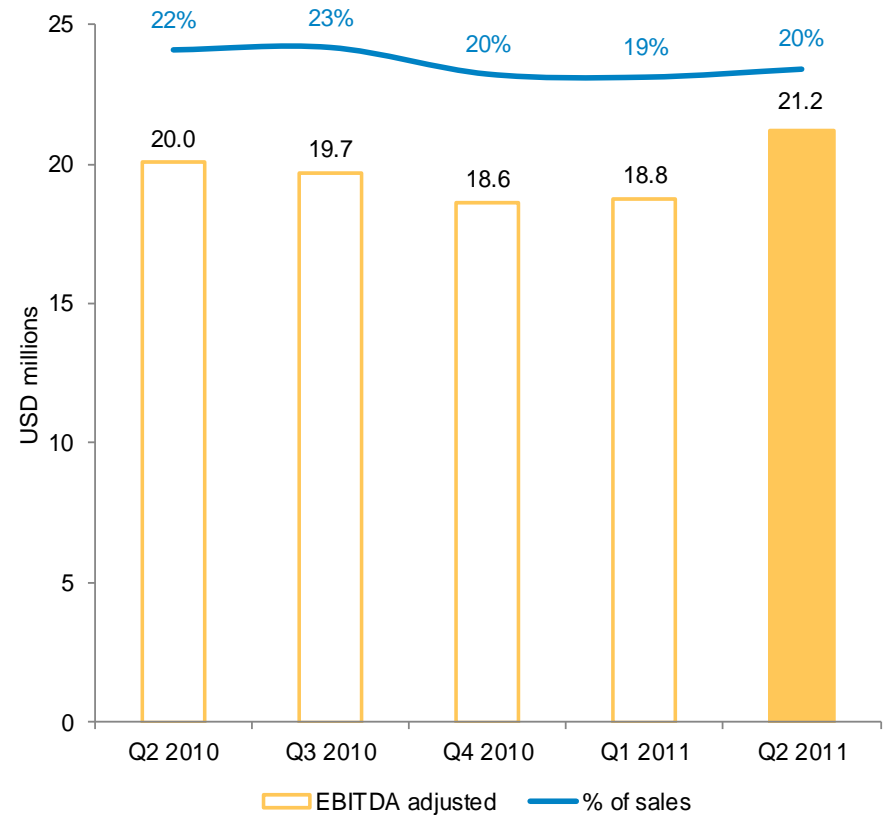
- One-time net expenses USD 1.3 million
- Lower interest due to favorable financing
- Comparing to positive USD 5.7 million net financial exchange rate difference in Q2 2010
- Net profit 10% of sales

EBITDA ADJUSTED MARGIN 20%



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- Increasing S&M capacity
- Different cost structure in acquired companies

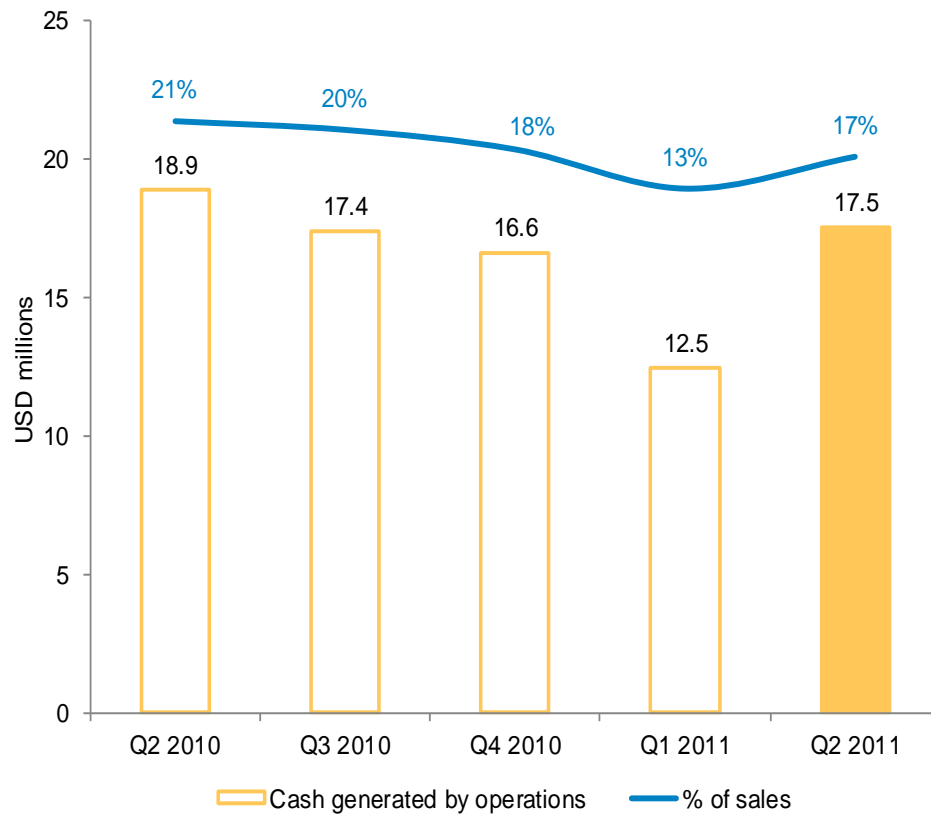


CASH FLOW – GOOD CASH GENERATION



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CASH GENERATED BY OPERATIONS



BALANCE SHEETS 30 JUNE 2011



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USD million	30 June '11	31 Dec '10
Non current assets	458	442
Current assets	148	165
Total assets	606	607
Stockholders' equity	366	344
Non current liabilities	157	178
Current liabilities	83	85
Total equity and liabilities	606	607
Current ratio	1.8	1.9
Equity ratio	60%	57%
Net interest bearing debt / EBITDA	1.8	1.8
Debt / EBITDA	2.1	2.5



KEY MESSAGE

- Another solid quarter for Össur with good external and organic sales growth and healthy profits

GUIDANCE



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2011 Guidance

Unchanged from previously announced guidance

Sales growth organic (LCY): 4 - 6%

EBITDA ratio adjusted: 20 - 21%



Q&A



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Listed on NASDAQ OMX Copenhagen

Ticker symbol: OSSR

Reuters: OSSR.CO

Bloomberg: OSSR.DC

Number of shares: 453,750,000

Market Cap 30.6.2011: USD 713 million

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UPCOMING EVENTS

Date

Q2 Road Show meetings - Denmark	6 September
Goldman Sachs Healthcare Conference – London	7-8 September
Dansk Aktiemesse – Copenhagen	20 September
Jefferies European Healthcare Conference – London	27-28 September
Q3 Results	27 October
Össur Capital Markets Day	30 November
Q4 Results	8 February 2012
2012 Annual General Meeting	16 March 2012

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