

**ÖSSUR Q3 2011
INVESTOR MEETING**



Life Without Limitations®

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 – Q3 2011



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AGENDA

Operations

Financials

Guidance

Q&A

ÖSSUR HF.

JÓN SIGURÐSSON

President & CEO



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HIGHLIGHTS

- Global economic situation – limited impact
- Healthcare reforms – emerging trend from paid by service to bundled payments
- Markets – rather stable environment

Sales

USD 101 m
16% USD growth

Excellent growth

- Overall 12% LCY growth
- B&S 17% LCY
- Prosthetics 7% LCY

Operations

EBITDA USD 21 m

Good profitability

- Gross profit margin 63%
- EBITDA margin 21%

Highlights

Key highlights

- World's first bionic leg introduced
- Official opening of Mexico facility
- Continuous flow of new products

Americas 55% of total sales

- Sales growth 16%
- B&S
 - Acquisitions contributing
 - Impact from new products
- Prosthetics
 - Slow quarter in conventional products
 - New bionic products performing well

Note: All growth numbers in local currency including investments





EMEA 40% of total sales

- Sales growth 7%
 - Growth in all markets and product segments
- B&S
 - Divestment of UK workshops
 - Positive impact from new products
- Prosthetics
 - Conventional products driving growth
- Compression therapy 15% growth
 - New products contributing

Note: All growth numbers in local currency including acquired and divested entities.

Asia 5% of total sales

- Sales growth 4%
- B&S
 - Order pattern affecting growth
- Prosthetics
 - Japan and Australia driving growth

Note: All growth numbers in local currency



SALES GROWTH BY SEGMENTS Q3 2011



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Sales by regions/segments	Growth USD	Growth LCY	Organic Growth LCY*
Americas	17%	16%	4%
EMEA	16%	7%	8%
Asia	7%	4%	4%
Total	16%	12%	6%
Bracing and supports	21%	17%	5%
Prosthetics	11%	7%	7%
Compression therapy	20%	15%	15%
Total	16%	12%	6%

* Excluding acquired and divested entities

Q3 BRACING AND SUPPORTS PRODUCT LAUNCHES



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Unloader One® Plus

A new special design for the underserved larger sized patient population



Hiptric® V2

Redesigned post operative brace, offering better fit and comfort



Rebound® Knee Brace

A new ligament brace, further enhancing the product portfolio



Form Fit Foot-Up®

Extension of the Form fit soft goods product range

Q3 PROSTHETICS PRODUCT LAUNCHES



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RHEOLOGIC™

Workbench



New software designed to facilitate optimal clinical outcome and customer service



LP Rotate™ with EVO™ (Low Profile)

Redesigned Reflex Rotate, specially designed for users with a long residual limb

BIONIC LAUNCHES IN Q4

- POWER KNEE – Commercial launch
- SYMBIONIC LEG – Limited launch



SYMBIONIC™ LEG

SYMBIONIC™ LEG

- Seamlessly unites the proven capabilities of RHEO KNEE and PROPRIO FOOT
- Introduced at AOPA trade show, September 2011
- Limited launch Q4 2011

MAJOR MILESTONES



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- Introduction of Team Össur in London
- Össur signs agreement to support a UK based OA study
- Official opening of the Mexico facility
- Successful introduction of the SYMBIONIC LEG at AOPA



The ribbon cutting ceremony at the inauguration of Össur Mexico



FINANCIALS Q3 2011

HJÖRLEIFUR PÁLSSON

CFO



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Sales

- Good organic growth
- All regions and product segments growing
- Moderate outlook for Q4

EBITDA

- Strong gross profit margin
- Increased S&M capacity
- Good EBITDA margin

INCOME STATEMENTS Q3 2011



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Income Statements USD m	Q3 2011	% of sales	Q3 2010	% of sales	Change	% Change
Net sales	101.3	100%	87.4	100%	13.9	16%
Gross profit	63.7	63%	54.4	62%	9.3	17%
Operating expenses*	-46.1	-46%	-38.7	-44%	-7.4	19%
Profit from operations	17.6	17%	15.7	18%	1.9	12%
Financial income / (expenses)	-2.9	-3%	-10.4	-12%	7.5	-72%
Net profit	10.6	11%	4.0	5%	6.6	165%
EBITDA	21.1	21%	19.1	22%	2.0	10%
EBITDA adjusted**	21.7	21%	19.7	23%	2.0	10%

*Including other income

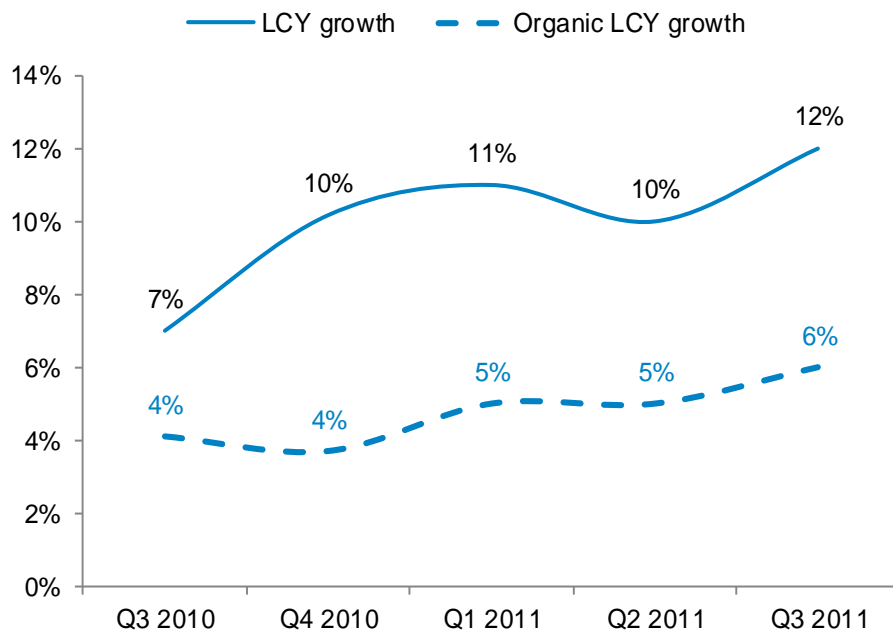
**Adjusted for one-time items:

USD million	Gains	Expenses	Net effect
Q3 2011	0	0.6	0.6
Q3 2010	0	0.6	0.6

SALES – GOOD ORGANIC GROWTH



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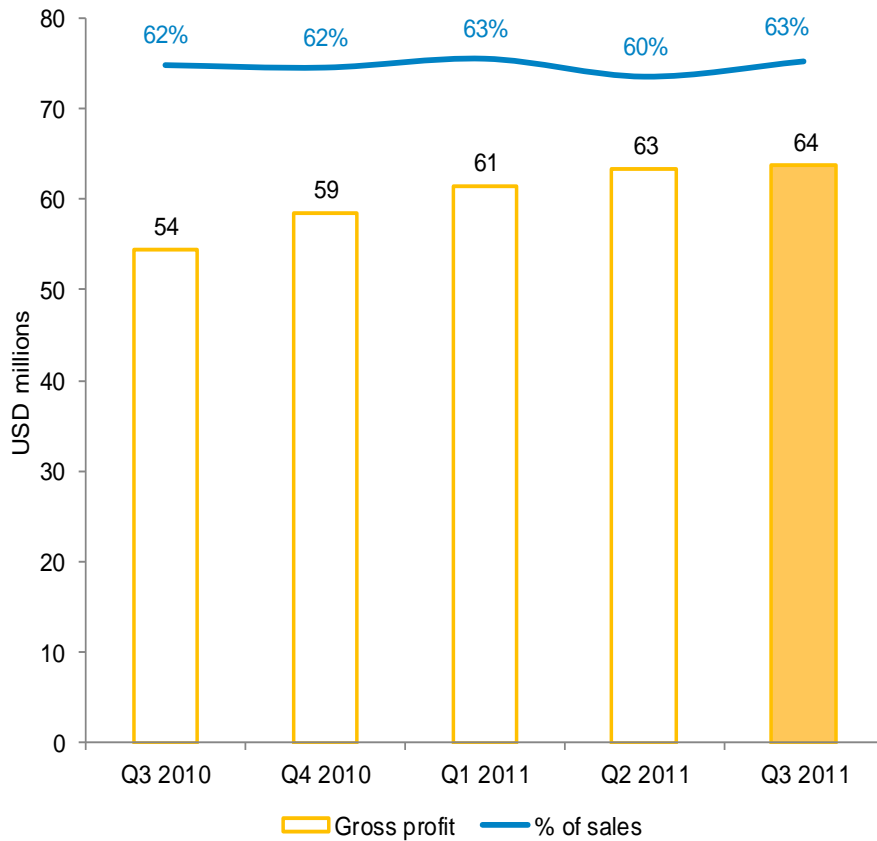


- Growth in all regions and product segments
- B&S
 - 5% organic LCY growth
 - Minimal impact from acquired companies in Q4
- Prosthetics
 - 7% organic LCY growth
 - Conventional products driving growth
- Moderate outlook for Q4

GROSS PROFIT – STRONG MARGIN



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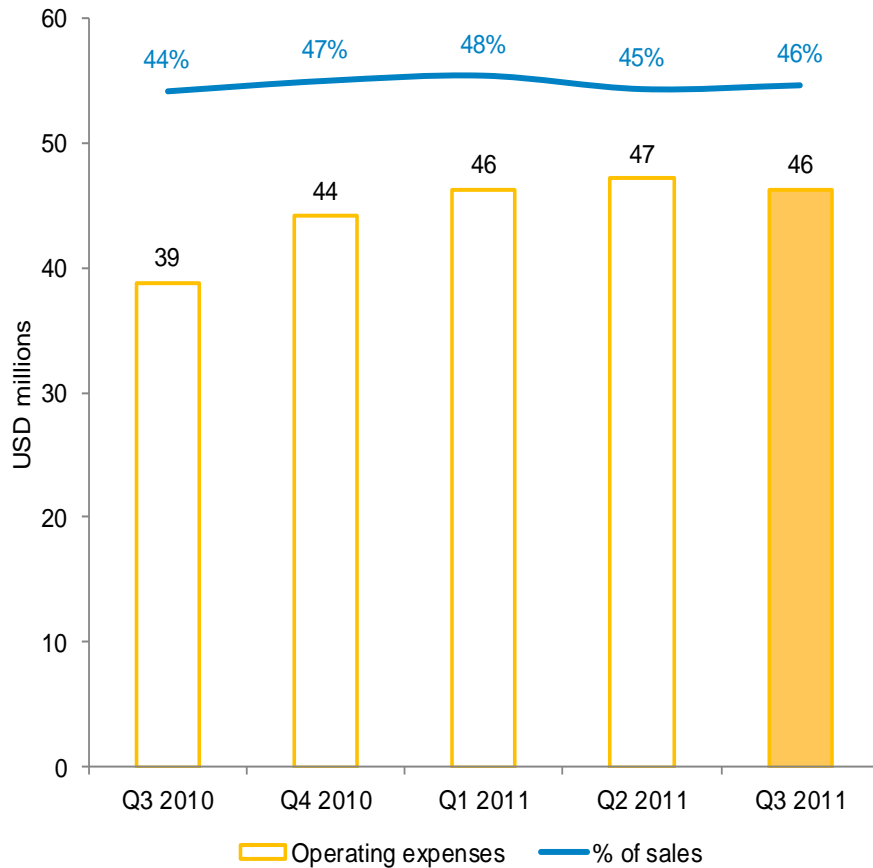


- Good efficiency in prosthetics manufacturing
- Mexico facility savings will materialize in 2012
- Q2 GPM negatively affected by one-time items and special issues

OPERATING EXPENSES – SUPPORTING GROWTH



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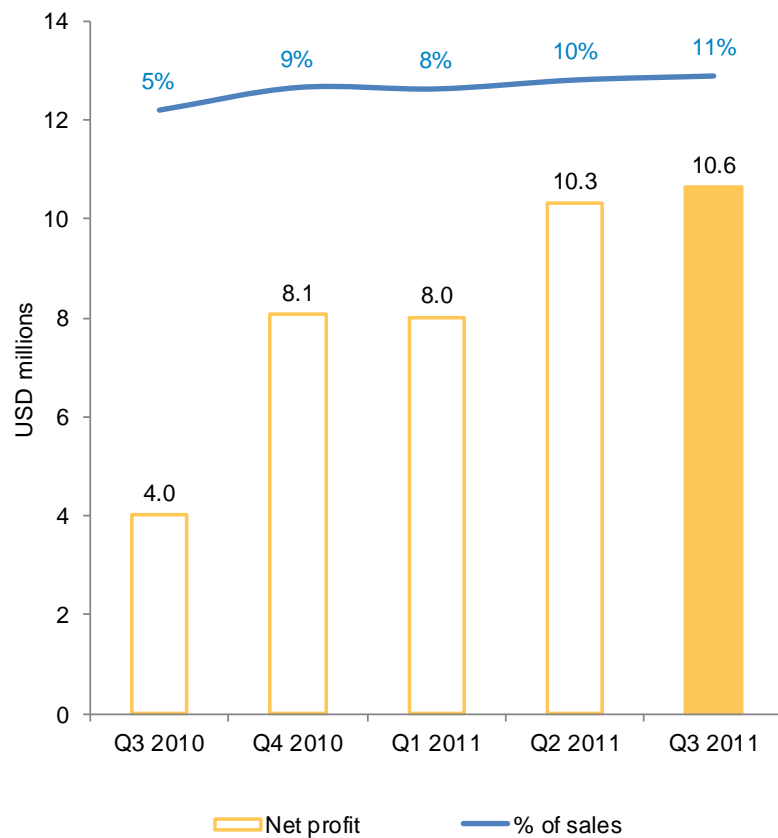


- Expanded sales force in Germany, France and the US
- Marginal increase in R&D
- High G&A ratio in acquired companies

NET PROFIT – INCREASING



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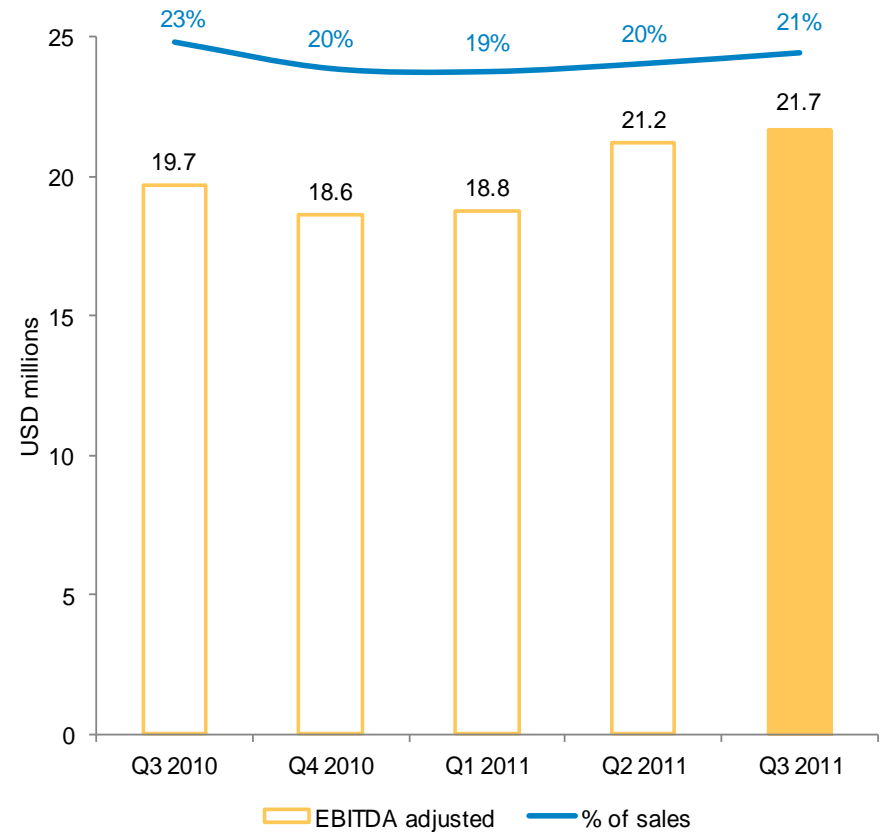
- Good profits from operations
- Decreased financial expenses
- Net profit 11% of sales

EBITDA MARGIN 21%



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- Strong gross profit contribution
- Investments in sales force
- Maintaining good EBITDA margin

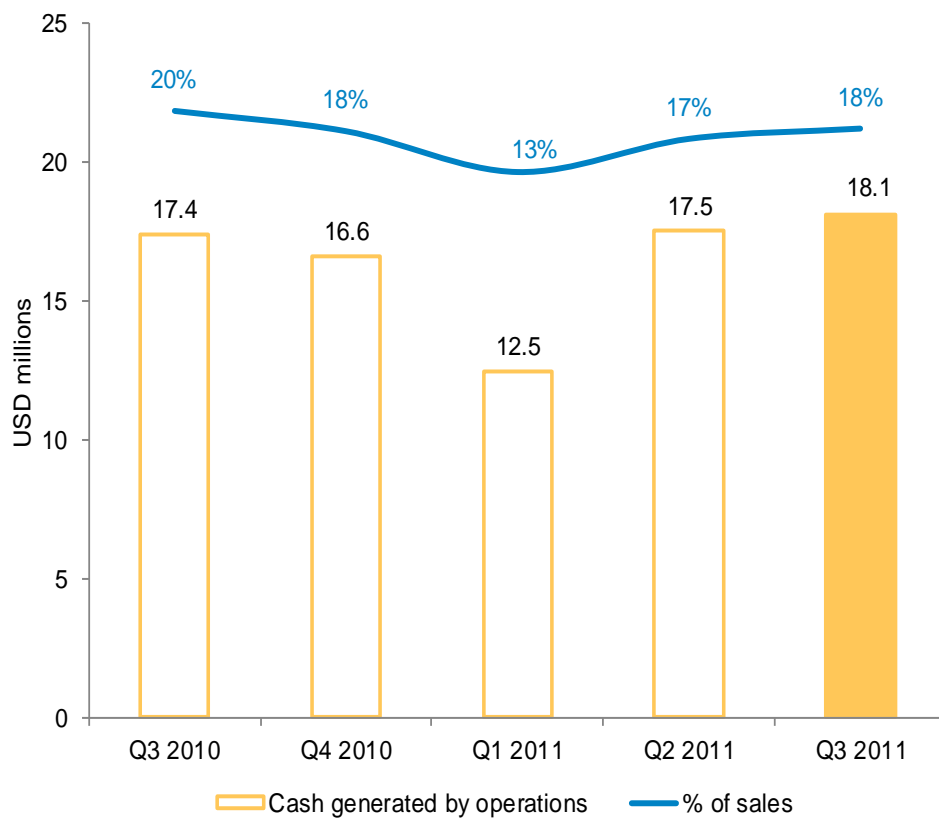


CASH FLOW – GOOD CASH GENERATION



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CASH GENERATED BY OPERATIONS



BALANCE SHEETS 30 SEPTEMBER 2011



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USD million	30 Sep '11	31 Dec '10
Non current assets	446	442
Current assets	137	165
Total assets	583	607
Stockholders' equity	364	344
Non current liabilities	137	178
Current liabilities	82	85
Total equity and liabilities	583	607
Current ratio	1.7	1.9
Equity ratio	62%	57%
Net interest bearing debt / EBITDA	1.6	1.8
Debt / EBITDA	1.8	2.5



KEY MESSAGE

- Yet another good quarter for Össur with strong sales growth, healthy profits and major milestones

GUIDANCE



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2011 Guidance

Unchanged from previously announced guidance

Sales growth organic (LCY): 4 - 6%

EBITDA margin 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 30.09.2011: USD 659 million

UPCOMING EVENTS

Date

Q3 Conference call

28 October

Össur Capital Markets Day

30 November

Q4 Results

8 February 2012

2012 Annual General Meeting

16 March 2012

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