Ossur Fourth Quarter and Annual Report 2007

Life Without Limitations

Press release from Ossur hf.

Reykjavik, 5 February 2008

Annual highlights

- **Sales USD 335.6 million, up by 33% from 2006**
- **Organic sales growth 7%**
- **EBITDA USD 64.4 million, up by 63% from 2006**
- **EBITDA adjusted USD 58.4 million, up by 22% from 2006**
- **Net profit USD 7.6 million, up by 74% from 2006**
- **Cash EPS diluted 8.24 US cents, up by 31% from 2006**
- **EPS diluted 1.94 US cents, up by 71% from 2006**
- **Equity offering completed in November.**

Q4 highlights

- **Sales 84.9 million, up 33% from Q4 2006**
- **Organic sales growth 4%**
- **EBITDA USD 22.7 million, up by 305% from Q4 2006**
- **EBITDA adjusted USD 13.5 million, up by 22% from Q4 2006**

Jon Sigurdsson, President & CEO, comments:

"The year was characterized by strong organic growth in prosthetics, restructuring in the Americas and internal focus. The growth we are seeing in the prosthetics confirms our technical leadership in this segment and that we are harvesting from our efforts in the past to restructure and create one sales force following acquisitions made in the prosthetic segment in the year 2000. We have completed numerous acquisitions since 2005 making our entrance into the bracing and support segment of the non-invasive orthopaedics market. To fully leverage the synergies from these acquisitions our focus has been on completing the restructuring of the bracing and support sales channel in the Americas which has been affecting our bracing and support sales performance in 2007. The Bionic Technology platform and other innovations are the result of significant and ongoing investments in research and development. We have also introduced numerous new products and product upgrades in the bracing and support segment which have been well received by professionals confirming the need for new products in this segment. We are confident that a turnaround in the bracing and support sales is on the horizon and that in 2008 we will see results of our efforts."

Business overview for 2007

Strong organic growth in prosthetics, restructuring and internal focus characterize the year. The total sales amounted to USD 335.6 million representing a growth of 33%. Organic sales growth measured in USD was 7% and 3% measured in local currency. Earnings before interest, tax, depreciation and amortization (EBITDA) amounted to USD 64.4 million or 19.2% of sales and increased by 24.9 million or 63% from 2006.

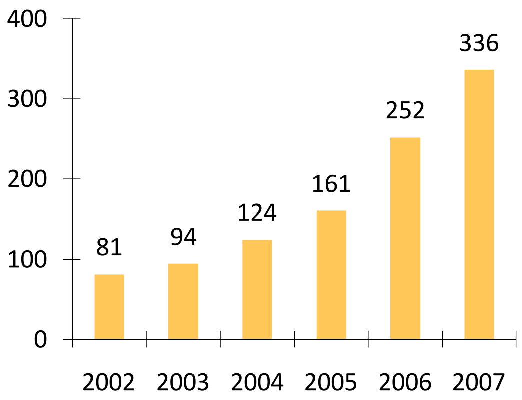
Sales growth in prosthetics continues to exceed the market growth and was 13% measured in USD. This confirms Ossur's strength in this market segment and technical leadership. In 2007 bionic sales accounted for 10% of the total prosthetic sales. Sales growth in braces and support, including Gibaud and Somas, was 34% measured in USD.

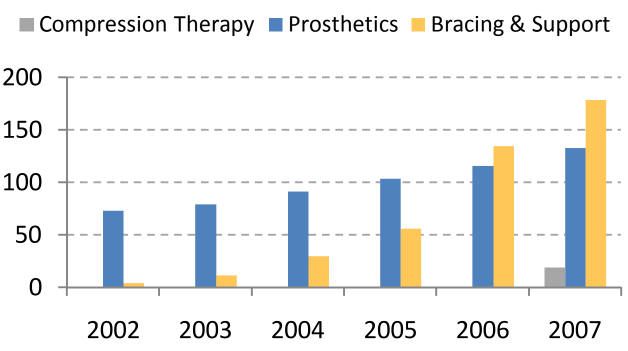
Ossur EMEA showed steady growth. Following acquisitions in 2005, major restructuring activities were undertaken and this strong growth in 2007 confirms the successful outcome of these efforts. In February, Ossur acquired Somas in the Netherlands for USD 9.8 million, a leading distributor of bracing and support products in the Benelux area, with over 15% market share. Somas has been fully integrated into Ossur EMEA.

As reported, major restructuring of the bracing and support sales channel in the US was initiated in the beginning of the year. Numerous US bracing and support companies were acquired in 2005 and 2006 marking Ossur's entrance into this new market segment. The restructuring activities are very important for the Company to fully realize the potential synergies and the Company's vision to create one player in the larger field of orthopaedics. Based on past experience in consolidating the prosthetics sales channels, the Company's management is confident that Ossur will harvest from these efforts in coming years.

Some of the main focus areas in 2008 will be to exploit further the cross selling opportunities as well as finalizing the product rationalization of the Company's bracing and support product line. The product rationalization will make marketing and sales more effective and improve the gross profit margin.

Following the acquisitions completed since late 2005, Ossur has transformed from being a prosthetics company into a global player in both prosthetics and bracing and support. In 2007 bracing and support sales accounted for 53% of the total sales and prosthetics accounted for 40%. From 2002-2007 the annual compounded sales growth has been 33%, thereof approximately one third organic growth, confirming the ability to grow through acquisitions and maintain healthy organic growth at the same time.





Graphs above show the sales trend for the period 2002-2007 and how the Company has transformed from a prosthetics leader to a leading player in non-invasive orthopaedics, specializing in prosthetics, bracing & supports and compression therapy

Private placement

In October the Company increased the share capital through a private placement of new shares, representing an increase of 9.9% of the total share capital. The offering was to strengthen the Company's capital structure and expand the shareholder base. The equity ratio at year end 2007 was 39% compared to 26% at year end 2006.

Quarterly Overview – Key Figures

Income Statements – Key Figures (USD '000)	Q4 2007	Q3 2007	Q2 2007	Q1 2007	Q4 2006
Net sales	84,870	82,322	88,037	80,380	63,844
Cost of goods sold	-37,041	-33,561	-34,916	-34,393	-26,945
Gross profit	**47,829**	**48,761**	**53,121**	**45,986**	**36,899**
Other income	11,205	311	197	320	286
Sales & marketing expenses	-21,592	-20,722	-21,261	-21,978	-16,758
Research & development expenses	-5,259	-5,324	-4,599	-4,994	-4,744
General & administrative expenses	-16,026	-14,901	-16,082	-15,277	-9,785
Restructuring expenses	0	0	0	0	-5,453
Profit from operations	**16,157**	**8,125**	**11,376**	**4,058**	**444**
Financial income/(expenses)	-8,445	-5,841	-9,526	-7,852	-5,087
Profit/(loss) before tax	**7,712**	**2,285**	**1,850**	**-3,794**	**-5,363**
Income tax	-1,064	-130	-367	1,088	1,656
Net profit/(loss) for the period	**6,648**	**2,156**	**1,483**	**-2,707**	**-3,707**
EBITDA	22,732	14,068	17,353	10,240	5,617
EBITDA ratio	26.8%	17.1%	19.7%	12.7%	8.8%
EBITDA adjusted*	13,474	14,068	17,353	11,528	11,070
EBITDA ratio adjusted*	**15.9%**	**17.1%**	**19.7%**	**14.3%**	**17.4%**

* Adjusted for one-time restructuring expenses and inventory step-up related to acquisitions and one-time income

Annual operating results for 2007

The operating results for 2007 are presented below. The Gibaud Group, acquired in December 2006 and Somas, acquired in February 2007, are both included in the consolidated accounts of 2007.

Income Statements 2007 (USD '000)	2007	% of sales	2006	% of sales	Change
Net sales	335,609	100.0%	252,133	100.0%	33.1%
Cost of goods sold	(139,911)	-41.7%	(102,756)	-40.8%	36.2%
Gross profit	**195,698**	**58.3%**	**149,377**	**59.2%**	**31.0%**
Other income	12,033	3.6%	530	0.2%	2170.4%
Sales & marketing expenses	(85,553)	-25.5%	(67,620)	-26.8%	26.5%
Research & development expenses	(20,176)	-6.0%	(17,925)	-7.1%	12.6%
General & administrative expenses	(62,286)	-18.6%	(36,165)	-14.3%	72.2%
Restructuring expenses			(8,453)	-3.4%	
Profit from operations	**39,716**	**11.8%**	**19,743**	**7.8%**	**101.2%**
Financial income /(expenses)	(31,663)	-9.4%	(20,602)	-8.2%	53.7%
Profit/(loss) before tax	**8,053**	**2.4%**	**(859)**	**-0.3%**	**n/a**
Income tax	(473)	-0.1%	5,219	2.1%	
Net profit for the period	**7,580**	**2.3%**	**4,360**	**1.7%**	**73.9%**
EBITDA	**64,392**	**19.2%**	**39,493**	**15.7%**	**63.0%**
EBITDA adjusted*	**58,424**	**17.4%**	**47,946**	**19.0%**	**21.9%**

Income Statements 2007

Ossur sales increased by 33% from 2006, measured in US dollars. Exchange rate trends had a positive impact on sales and growth measured in local currency was 28%.

Organic[1] sales growth was 7%, measured in US dollars and 3% measured in local currency.

Gross profit increased by 31%. The gross profit margin was 58.3% compared to 59.2% in 2006. The decline in the ratio is primarily due to product mix changes and that economies of scale in the bionic line have not fully materialized yet. Sales of bracing and support products in the fourth quarter were below expectations both in Americas and EMEA. Unusually slow sales in December affect the total sale of the fourth quarter. Sales of the bracing and support products in January of 2008 are according to plan.

Other income amounted to USD 12 million or 3.6% of sales. One-time other income includes the sale of the option to buy the Company's facilities in Reykjavik amounting to USD 7.6 million and USD 3.4 million cash proceeds collected from an IP litigation against Bledsoe Brace Systems as announced in 2005. Due to uncertainty of the collection of the damages it was decided to recognize revenue on a collection basis. In October 2007 Bledsoe was sold and the full and final payment made.

General and administrative expenses amount to 18.6% of sales compared to 14.3% in 2006. Exchange rate trends, unusual litigation expenses due to the wound care IP litigation amounting to USD 3.6 million and the fact that Gibaud's G&A cost ratio is still significantly higher than historically at Ossur, all contribute to the increase. Accounting methods at Gibaud have not been fully aligned to IFRS and Össur methods resulting in expenses being recorded as G&A that would normally be classified as cost of goods sold and sales and marketing expenses. A re-class of expenses at Gibaud will take place in 2008 as accounting will be fully aligned.

Profit from operations increased by 101% and represented 11.8% of sales compared to 7.8% in 2006. The increase due to the one-time income explained above was partially offset by decrease in gross profit margin and negative impact of higher general and administrative expenses.

Amortization of intangible assets relating to acquisitions amounted to USD 15.6 million, compared to USD 13.1 million in 2006. The amortization following acquisitions in the past is in accordance with accounting standards, affecting the P/L statement although the underlying intangible assets are not decreasing in value. The amount is allocated to individual operating items as follows:

Allocation of amortization of intangible assets to expense items	2007 USD '000	% of sales	2006 USD '000	% of sales
Cost of goods sold	456	0.1%	246	0.1%
Sales and marketing expenses	7,258	2.2%	7,172	2.8%
Research & development expenses	4,418	1.3%	4,321	1.7%
General & administrative expenses	3,515	1.0%	1,448	0.6%
Effect on profit from operations	15,647	4.7%	13,187	5.2%

Amortization of intangible assets will continue at the same level for the next three years and then drop to a lower level for another six years. Further acquisitions will affect the amortization level.

Net financial expenses increased by 54% from 2006. Net interest expenses increased by 59%, mainly due to the bridge loan undertaken to finance the acquisition of Gibaud in December 2006.

Ossur has entered into an interest rate swap agreement fixing the rates of the Company's long term debt at a weighted average of 5.99% per annum interest rate. Approximately 63% of Ossur's long term bank loans are in US dollars and 37% in Euros. The significant strengthening of the Euro against the US dollar in 2007 resulted in an approximately USD 8.8 million negative exchange rate difference on the Company's long term debt. During the year, the Company entered into foreign exchange contracts to hedge the exchange rate risk on the Euro dominated long term liabilities. These contracts were closed prior to maturity resulting in a USD 8.7 gain which is realized through the profit and loss statement. There were no outstanding foreign currency exchange contracts at the end of the year.

From 1 July 2007, exchange rate differences on the Euro bridge loan are realized over equity against exchange rate gains on the relevant investment, in accordance with IFRS standard 39. The bridge loan is defined as a hedge against the Euro investment in Gibaud. As a result, a negative exchange rate difference of USD 3.3 million was recognized through financial expenses in the income statement in the first half of the year and USD 10.6 million through equity in the second half of the year.

Income tax was USD 473 thousand compared to a positive income tax of USD 5.2 million in 2006, resulting in an effective tax rate of 5.9%. The low tax rate in 2007 was due to significant deductions relating to a net loss in the

[1] Organic growth is measured as the total revenue growth less acquired revenue from acquisitions and revenues from divested operations. Organic revenues for the quarter under review are calculated by deducting the revenues from businesses owned less than 15 full months from reported revenues. Organic revenue growth is determined by comparing the organic revenues for the quarter under review to the corresponding quarter one year earlier. The corresponding quarter one year earlier excludes any revenues from acquisitions made in that specific quarter.

Americas in 2007 as well as deductions relating to the internal financing structure of the Company. The same reasons apply for the unusual positive effective tax rate in 2006.

Net profit amounted to USD 7.6 million compared to USD 4.4 million in 2006, increasing by 74%.

EDITDA amounted to USD 64.4 million, up by 63% from 2006 and corresponds to 19.2% of sales compared to USD 39.5 million and 15.7% of sales in 2006. EBITDA adjusted for one-time income and expenses amounted to USD 58.4 million, up by 22% and corresponds to 17.4% of sales in 2007 compared to USD 47.9 million and 19.0% of sales in 2006. One time income due to the Bledsoe payment and the sale of the option to buy the Company's facilities amount to USD 11 million and one-time expenses consist of inventory step-up at Gibaud and Somas amounting to USD 1.4 million as well as the wound care litigation expenses amounting to USD 3.6 million.

Product groups

The division of sales between main product groups in 2007 was as follows:

USD '000	2007	% of sales	Growth USD	Growth LCY	Pro forma LCY	Organic LCY
Bracing & support	178,054	53%	34%	29%	-2%	-4%
Prosthetics	133,917	40%	13%	9%	9%	9%
Compression	19,107	6%	n/a	n/a	2%	n/a
Other	4,531	1%	238%	205%	100%	171%
Total	335,609	100%	33%	28%	3%	3%

In 2007 numerous new products and product upgrades were introduced both in prosthetics and bracing and supports.

Prosthetics:
In 2007 various new products were introduced. Amongst products introduced was the Iceross®Synergy offering more stability and comfort and a unique wave feature making it easier to flex at the knee, the Mauch®Knee offering smoother and more natural gait and a high level of flexibility for more active lifestyles and the Mauch®Knee Plus, developed to address the need of users requiring a higher weight limit. In 2007 the product mix has been shifting to Bionics, and the Bionic sales accounted for 10% of the total prosthetic sales. The Bionic RHEO KNEE® is approved by reimbursement systems but the PROPRIO FOOT™ still awaits approval.

Braces and Support:
Some of the key products like the CTi® and Unloader®One braces have been redesigned and are growing strongly. The broad selection of the custom made braces as well as off-the-shelf braces fit a wider range of customers both as a preventive device as well as a medical device and has proven to be well received by our customers.
A large part of the bracing and support sales in soft goods is sold in high volumes. In 2007 over 30 product improvements were made in the bracing and support product line.

Compression Therapy

Compression therapy is only sold through the Gibaud subsidiary in France. The compression therapy products are marketed under the brands: Venactif®, Olympique® and PCTA®. Venactif® and PCTA® are the product lines for the pharmacy channel whereas Olympique® is the brand for the O&P and hospital channel. In 2007 various new socks, tights and stockings products and product upgrades were introduced to the French market.

Geographical markets

The distribution of sales according to market regions in 2007 was as follows:

USD '000	2007	% of sales	Growth USD	Growth LCY	Pro forma LCY	Organic LCY
Americas	162,025	48%	3%	3%	2%	2%
EMEA	163,089	49%	89%	74%	4%	4%
Asia	10,495	3%	15%	12%	12%	12%
Total	335,609	100%	33%	28%	3%	3%

Americas

Growth in Ossur Americas in 2007 measured in USD was 3%, all organic as no acquisitions were made in this market in 2007. The strong growth in prosthetics sales is offset by the sales decline in the bracing and support segment due to the restructuring of the B&S sales channel.

Frost & Sullivan estimates the annual market growth in prosthetics and braces and supports to be at 3-5% on average.

Sales in the Americas accounted for 48% of sales, compared to 62% in 2006. 2007 is the first year Gibaud is included in the consolidation making the split between Europe and US more even.

EMEA

Growth in EMEA measured in USD was 89% and 74% measured in local currency. Organic growth was 4% measured in local currency. Traditional Europe is harvesting from restructuring made in 2006 following acquisitions in 2005 and Gibaud is proceeding according to plans. Seasonality in sales has increased following the acquisition of Gibaud, where operations close for 4-6 weeks in July and August for summer vacations. This has a negative effect on both sales and operating profit in EMEA as a large proportion of expenses is fixed.

Sales in EMEA accounted for 49% of total sales, compared to 34% in 2006.

Asia

Growth in Asia measured in USD was 15% and 12% measured in local currency. Reimbursement changes in Japan have affected the sales as Japan is a significant part of the Ossur Asia sales. During this first year of operation, the Asia unit has set up all basic administrative functions.

Sales in Asia accounted for 3% of sales, compared to 4% in 2006.

Fourth quarter highlights

- Sales USD 84.9 million, up by 33% from Q4 2006
- Organic sales growth 4%
- Profit from operations USD 16.2 million, up from USD 0.4 million in Q4 2006
- EBITDA USD 22.7 million, up by 305%
- EBITDA adjusted USD 13.5, up by 22%
- Net profit USD 6.6 million compared to net loss of USD 3.7 million in Q4 2006
- Cash EPS diluted 3.22 US cents, increasing by 747% in Q4 2006
- EPS diluted 1.62 US cents, up from -0.96 US cents in Q4 2006
- Equity offering completed in November

Fourth quarter operating results

Income Statements Q4 2007 (USD '000)	Q4 2007	% of sales	Q4 2006	% of sales	Change
Net sales	84,870	100.0%	63,844	100.0%	32.9%
Cost of goods sold	(37,041)	-43.6%	(26,945)	-42.2%	37.5%
Gross profit	**47,829**	**56.4%**	**36,899**	**57.8%**	**29.6%**
Other income	11,205	13.2%	286	0.4%	3817.8%
Sales & marketing expenses	(21,592)	-25.4%	(16,758)	-26.2%	28.8%
Research & development expenses	(5,259)	-6.2%	(4,744)	-7.4%	10.8%
General & administrative expenses	(16,026)	-18.9%	(9,785)	-15.3%	63.8%
Restructuring expenses			(5,453)	-8.5%	
Profit from operations	**16,157**	**19.0%**	**444**	**0.7%**	**3534.2%**
Financial income / (expenses)	(8,445)	-10.0%	(5,807)	-9.1%	45.4%
Profit / (loss) before tax	**7,712**	**9.1%**	**(5,363)**	**-8.4%**	**-243.8%**
Income tax	(1,064)	-1.3%	1,656	2.6%	-164.3%
Net profit for the period	**6,648**	**7.8%**	**(3,707)**	**-5.8%**	**-279.3%**
EBITDA	**22,731**	**26.8%**	**5,616**	**8.8%**	**304.8%**
EBITDA adjusted*	**13,473**	**15.9%**	**11,069**	**17.3%**	**21.7%**

Sales growth during the fourth quarter of 2007 was 33% compared to the fourth quarter of 2006, measured in US dollars. Organic sales growth was 4% measured in US dollars and declined slightly measured in local currency. Sales of bracing and support products in the fourth quarter was below expectations both in the US and EMEA. Low sales in December affect the total sales of the quarter. Sales of the bracing and support products in January of 2008 are according to plan.

Gross profit margin in the fourth quarter of 2007 was 56.4% of sales, down from 57.8% in 2006. The decline in the ratio is due to product mix changes and economies of scale in the bionic line have not yet fully materialized.

Profit from operations increased considerably and amounted to USD 16.2 million compared to USD 0.4 million in 2006. The increase is due to the one-time income in Q4, the sale of the option to buy the Company's facilities in Reykjavik amounting to USD 7.6 million and USD 3.4 million in cash proceedings collected from an IP litigation. Wound care litigation expense in the fourth quarter amounting to USD 1.7 million has a negative impact on the profit from operations in the quarter.

EBITDA amounted to USD 22.7 million and 26.8% of sales compared to USD 5.6 million and 8.8% of sales in the fourth quarter of 2006, up by 305%. EBITDA adjusted for one time income and expenses amounted to USD 13.5 million and 15.9% of sales compared to USD 11.1 million and 17.3% of sales in the fourth quarter of 2006, up by 22%.

EPS diluted was 1.62 US cents, up from -0.96 US cents in the fourth quarter of 2006. Cash EPS diluted was 3.22 US cents, up by 747% in the fourth quarter of 2006.

Balance Sheets

Consolidated Balance Sheets (USD '000)	31 December 2007	31 December 2006	Change
Fixed assets	503,564	489,319	3%
Current assets	132,257	123,433	7%
Total assets	**635,821**	**612,752**	**4%**
Stockholders' equity	250,282	161,639	55%
Long-term liabilities	239,361	234,538	2%
Current liabilities	146,178	216,575	-33%
Total equity and liabilities	**635,821**	**612,752**	**4%**

Total assets have increased by USD 23 million from the end of 2006, or by 4%. The acquisition of Somas in February accounts for almost 50% of the increase.

In October Ossur completed a share capital increase through a private placement of new shares, representing a 9.9% increase of issued share capital. The net proceeds amounted to USD 65 million. The equity ratio at the end of 2007 was 39%, compared to 26% at the end of 2006.

As previously communicated, the bridge loan undertaken to finance the acquisition of Gibaud in December 2006, is included in the Company's current liabilities. The proceeds from the private placement were used to partly pay down the bridge loan strengthening the capital structure of the Company.

Net interest bearing debt over EBITDA was 4.4x at the end of the year (4.8x EBITDA adjusted).

Cash Flow

Cash Flow (USD '000)	2007	% of sales	2006	% of Sales
Working capital provided by operating activities	43,991	13%	24,663	10%
Net cash provided by operating activities	45,701	14%	15,988	6%

Sales of the option to buy the Company's facilities in Reykjavik as well as proceeds from the Bledsoe litigation and closing of foreign currency contracts all contributed to the significant increase in net cash provided by operating activities.

Capital investments amounted to USD 7.1 million or 2.1% of sales, compared to USD 10.9 million or 4.3% of sales in 2006. Capital investments in 2007 were unusually low after extensive investments for the past 2-3 years, especially in IT platforms.

Earnings per share

Earnings per share	Q4 2007	Q4 2006	Change	2007	2006	Change
EPS diluted (US cents)	1.62	-0.96	n/a	1.94	1.13	71%
Cash EPS diluted (US cents)	3.22	0.38	747%	8.24	6.27	31%

Five year comparison

Five Year Comparison (USD '000)	2007	2006	2005	2004	2003
Net sales	335,609	252,133	160,729	124,399	94,467
Profit from operations	39,716	19,743	16,525	20,374	6,112
Financial income / (expenses)	-31,663	-20,602	-4,280	-1,232	-407
Profit (loss) before tax	8,053	-859	12,245	19,142	5,705
Net profit	7,580	4,360	11,689	15,227	4,661
Stockholders' equity	250,282	161,639	152,829	54,720	44,011
Total assets	635,821	612,725	407,997	108,915	102,126
Working capital from operating activities	43,991	24,663	18,954	23,095	8,774
Net cash provided by operating activities	45,701	15,988	15,481	16,600	10,383
Return on common equity	4%	3%	15%	31%	11%
Current ratio	0.9	0.6	2.1	2.2	1.8
Equity ratio	39%	26%	37%	50%	43%
Earnings per share (US cents)	1.94	1.13	3.53	4.80	1.45
Price per share at year end (ISK)	98.5	113	114	76	43.6
Market value at year end (USD million)	672	606	695	396	201

Operating prospects

Ossur operates within niche segments of the USD 25 billion orthopaedic industry, focusing on three segments of the non-invasive orthopaedic market: prosthetics, bracing and supports and compression therapy products. Strong underlying market growth drivers in these markets include demographic aspects such as an aging population, increase in lifestyle diseases and more active and wealthy seniors.

The health care sector has historically had limited sensitivity to economic fluctuations and the recent negative developments in the global financial markets are not expected to have significant impact on the Company's underlying business.

The Company's main focus areas in 2008 include profitability, innovation and cost leadership. The emphasis will be on further exploring cross selling opportunities and increased product rationalization in the bracing and support line of the business. Various new products and product upgrades are in the pipeline for prosthetics and bracing and supports and Ossur will continue to pursue its strategy of leveraging on existing technical platforms.

Ossur's sales in 2008 are estimated to be around USD 360-365 million and EBITDA is expected to be USD 67-70 million.

Milestones in 2007

- Mayo Clinic Finds Ossur's Miami J and Philadelphia Collars superior in immobilization and reduction of pressure – December 2007
- Forbes Magazine features Ossur in an article called "Brace Yourself" - November 2007
- Denmark's largest pension fund, ATP buys 3.47% stake in Ossur becoming the fifth largest shareholder in the company - October 2007
- Ossur's PROPRIO FOOT™ wins the 2007 DaVinci Award – September 2007
- Ossur's PROPRIO FOOT™ wins 2007 Medical Design Excellence Award – June 2007
- CNN International features Ossur's POWER KNEE and PROPRIO FOOT in an article called "Building the Bionic Body" – June 2007
- Ossur's VP of R&D, Dr. Hilmar Janusson, named by Business Week as one of the Top Ten Cutting Edge Designers of the Year – June 2007
- Ossur Investor Relations wins the Nordic IR Awards. Ossur's CEO Jon Sigurdsson and CFO Hjorleifur Palsson also received the Award for Best IR Support – June 2007

Approval of Financial Statements

The Ossur hf. Consolidated Financial Statements for 2007 were approved at a meeting of the Board of Directors on 4 February 2008. The statements, prepared in compliance with International Financial Reporting Standards (IFRS), have been audited and endorsed by the Company's auditors without comments.

Investor presentations

Today, Tuesday 5 February 2008, Ossur will host a conference call for investors, analysts and shareholders.

Jon Sigurdsson, President and CEO, and Hjorleifur Palsson, CFO, will host a live conference call in English at 13:00 GMT, 14:00 CET and 8:00 am Eastern Standard Time. The telephone conference can be heard on the Ossur website: www.ossur.com.

Please call the following telephone numbers to participate in the conference:

Telephone number for Europe: +44 (0)20 3043 2436
Telephone number for the United States: +1 866 458 40 87
Local Icelandic number: 800 8660

Presentation material will be available on the Company's website www.ossur.com and the News System of the Iceland Stock Exchange/ OMX Nordic Exchange: www.omxgroup.com/nordicexchange/marketnews/companynotices

Annual General Meeting and Financial Calendar for 2008

Ossur will hold its Annual General Meeting on Friday 22 February 2008 at 8:30 am at Grand Hotel in Reykjavik. The Company's 2007 Annual Report will be available upon request and will also be accessible on the Company's website, www.ossur.com, the website of Iceland Stock Exchange/ OMX Nordic Exchange: www.omxgroup.com/nordicexchange/marketnews/companynotices and on www.huginonline.com.

The estimated dates of publication of interim and annual financial statements relating to 2008 are as follows:

First quarter 2008 results	28 April 2008
Second quarter 2008 results	28 July 2008
Third quarter 2008 results	27 October 2008
Fourth quarter and annual 2008 results	5 February 2009
2008 Annual General Meeting	20 February 2009

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Further information

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About Ossur
Ossur (Icelandic Stock Exchange: OSSR) is as much about helping people to live a life without limitations as it is about its orthopaedic products. A trusted and global leader in the development, manufacturing, distribution, sales and marketing of braces and support products and prosthetics, Ossur creates award-winning designs – including its bionic technologies – and partners with the health practitioners who use them to deliver successful clinical and business outcomes. With headquarters in Reykjavik, Iceland, the company has operations and a distribution network throughout the world. The company allocates an industry record portion of its revenue to research and development to conceive and harness the most advanced technologies for incorporation in its product designs, and provides extensive education programs through the Ossur Academy. Website: www.ossur.com

Forward-Looking Statements
This press release includes "forward-looking statements" which involve risks and uncertainties that could cause actual results to differ materially from results expressed or implied by these statements. Ossur hf. undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.