



Össur hf. Q4 and FY 2014

Investor Meeting

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6 February 2015

FORWARD LOOKING STATEMENTS



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 2015 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.

HIGHLIGHTS Q4 2014

SALES
USD 129m



- 6% growth LCY, 5% organic LCY
- B&S 2% growth LCY, 1% organic LCY
- Prosthetics 13% growth LCY, 10% organic LCY

OPERATIONS
EBITDA USD 26m



- Gross profit margin 63%
- EBITDA margin 20%
- EBITDA growth 7%, 14% growth LCY
- Net profit growth 5%, increase of USD 1m

HIGHLIGHTS

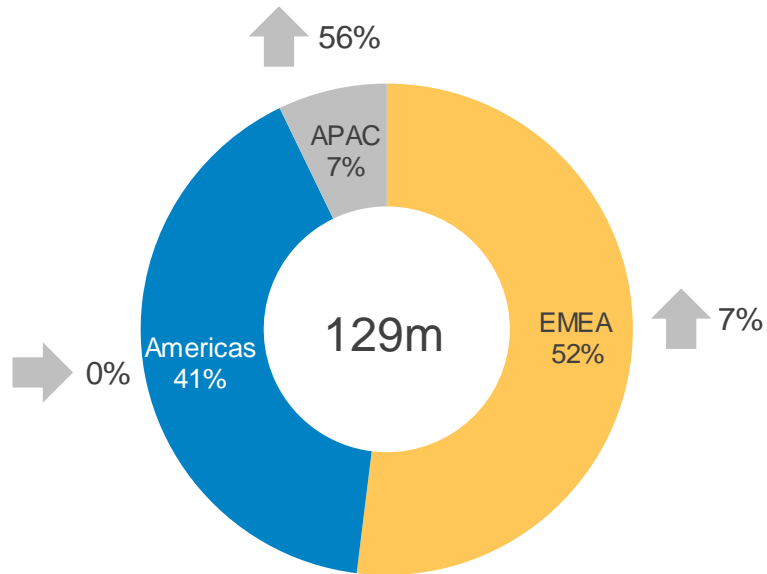


- Excellent prosthetics sales growth
- Strong cash flow
- USD 29m share buyback

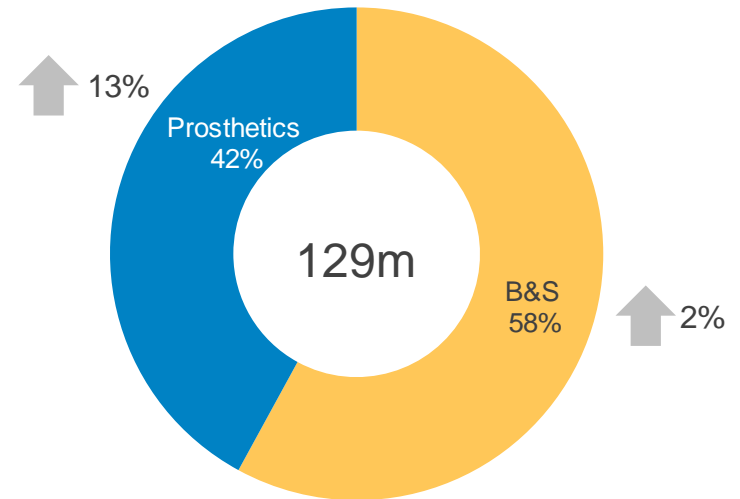
Note:
All growth numbers refer to year-on-year growth

GROWTH BY SEGMENTS AND GEOGRAPHY

Sales by geography

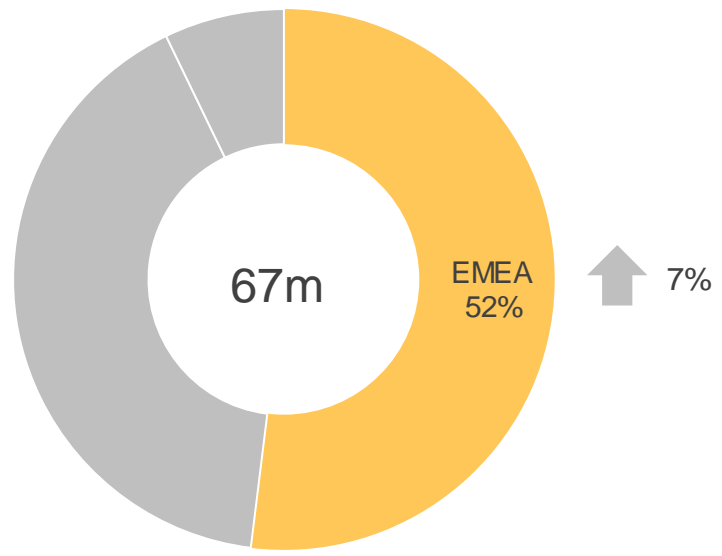


Sales by segments



Note: All growth numbers are in local currency

EMEA 7% SALES GROWTH

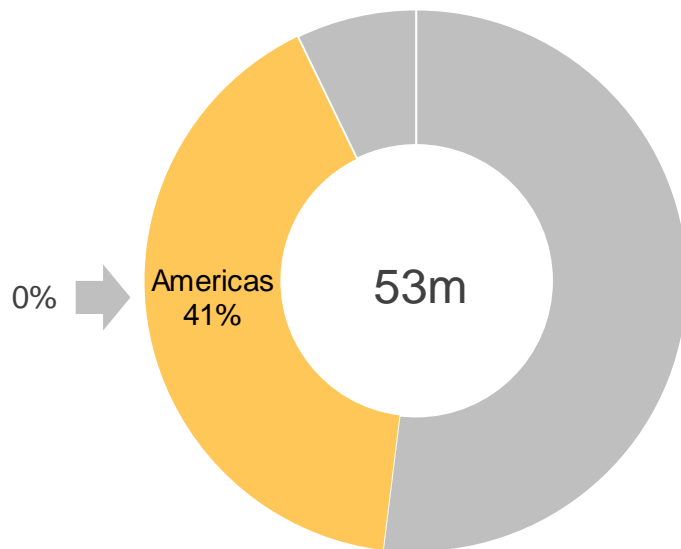


Highlights

- B&S sales growing in line with market growth
- Prosthetics sales growth strong across all major markets and product lines
- Acquisitions performing according to plan

Note: All growth numbers are in local currency

AMERICAS 0% SALES GROWTH

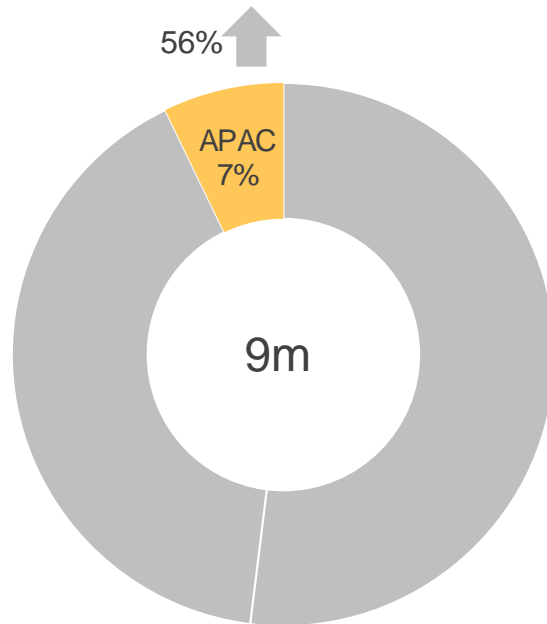


Highlights

- Challenging conditions in the B&S market
- B&S sales growth negatively affected by focus on high end products and increased profitability
- Continued good performance in prosthetics

Note: All growth numbers are in local currency

APAC 56% SALES GROWTH



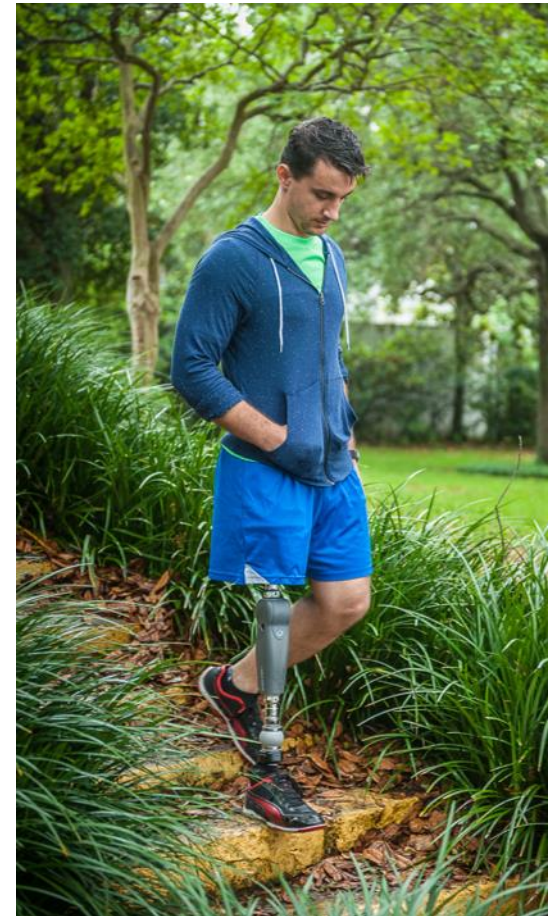
Highlights

- Good B&S sales growth across both segments and markets
- Excellent prosthetics sales growth

Note: All growth numbers are in local currency

2014 HIGHLIGHTS

- Good sales growth and increase in profitability:
 - Sales USD 509m, 18% growth LCY
 - EBITDA USD 104 million, 38% growth
 - EBITDA margin 20%, (2013: 18% adj.)
- B&S performing well in main markets in EMEA and APAC
- Challenging conditions in B&S in Americas
- Excellent prosthetics sales growth across all major markets and product lines
- Two acquisition in APAC completed in 2014
- Recent acquisitions performing according to plan
- Returns to shareholders:
 - Proposed dividend payment of DKK 0.12 per share
 - Share buybacks of USD 29 million



PRODUCT HIGHLIGHTS IN 2014

38 products launched during the year

26 new products in bracing and supports

Rebound® PCL



The world's first dynamic PCL brace. It is designed to apply a physiologically correct, dynamic force, optimum for rehabilitation of posterior cruciate ligament (PCL) ruptures, whether during functional (non-surgical) treatment or post-surgical reconstruction.

12 new products in prosthetics

RHEO KNEE® 3



Provides the most natural knee function among all microprocessor knees because it continuously adapts to the user and the environment while providing perfect balance of stability and dynamics



Financials Q4 2014

FINANCIALS Q4



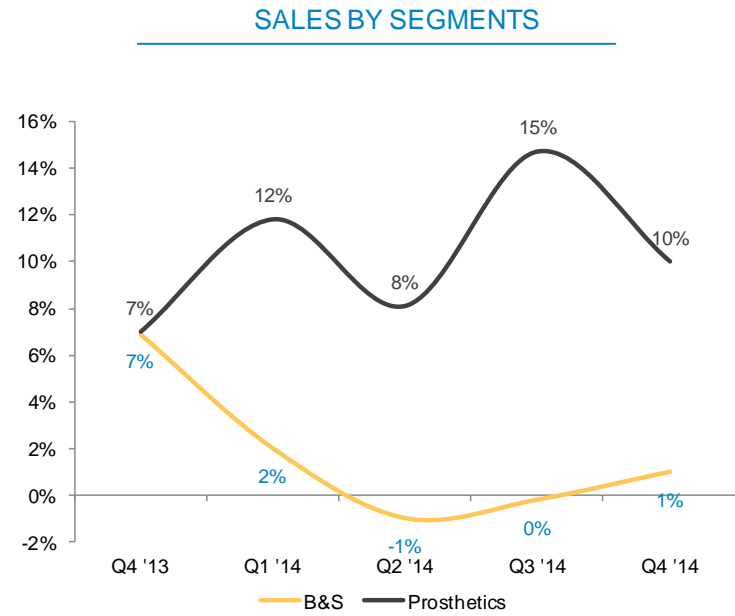
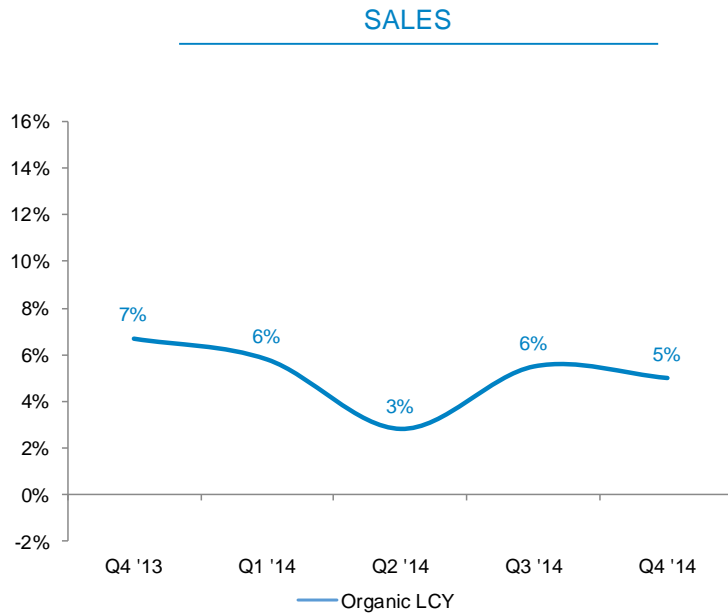
| Financials USD m | Q4 2014 | Q4 2013 |
|------------------------------|-----------|-----------|
| Net Sales | 129 | 128 |
| Gross profit | 81 63% | 80 62% |
| EBIT | 21 16% | 20 15% |
| Net profit for the period | 15 12% | 14 11% |
| EBITDA | 26 20% | 24 19% |
| Cash generated by operations | 29 23% | 29 22% |

- 6% sales growth, LCY
- 5% organic sales growth, LCY

- Impact from foreign exchange rate movements
- Increase in margins

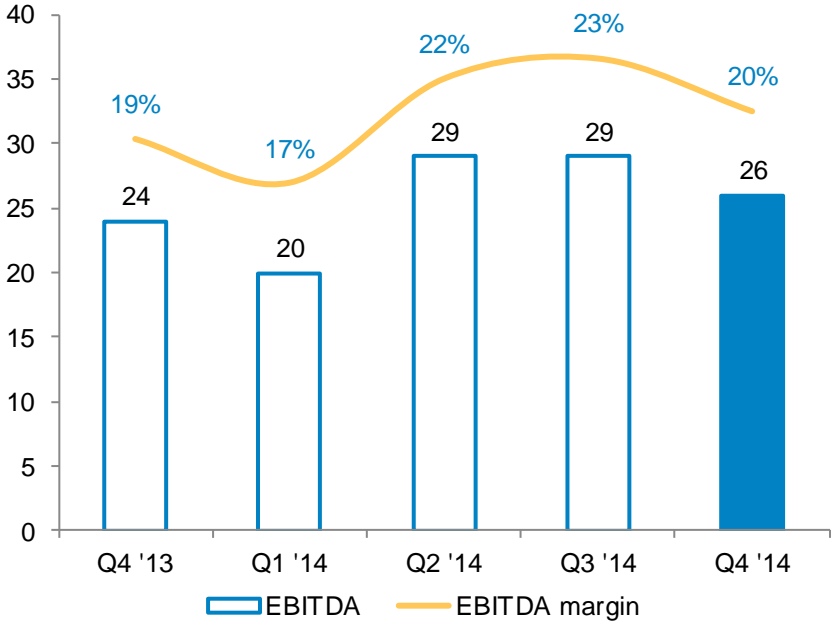
- Strong cash flow

ORGANIC SALES 5% GROWTH



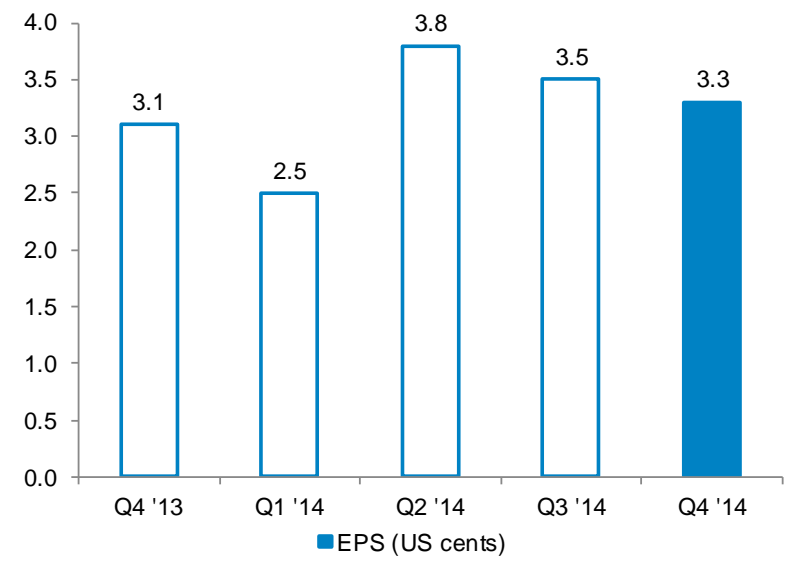
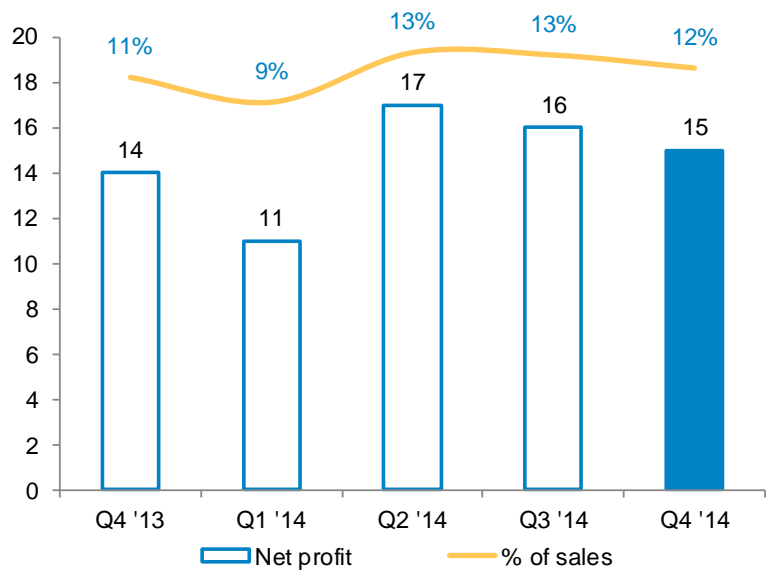
Note: Organic growth in LCY

EBITDA MARGIN 20%

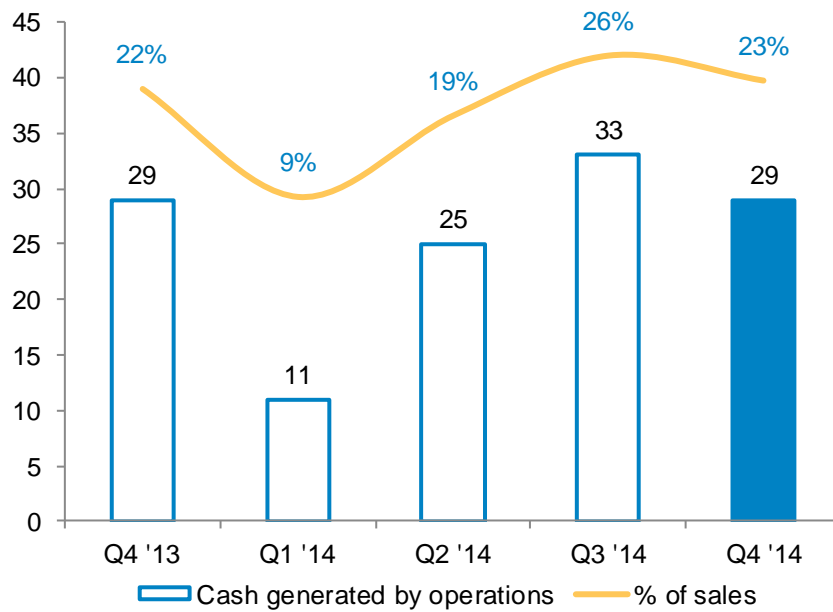


- Growth in EBITDA 7%, 14% LCY
- Positive effect from product mix

NET PROFIT AND EPS



CASH FLOW FROM OPERATIONS



- Good results from operations
- Positive effect from working capital



Financials FY 2014

FINANCIALS 2014



| Financials USD m | 2014 | 2013 |
|------------------------------|------------|------------|
| Net Sales | 509 | 436 |
| Gross profit | 323 63% | 270 62% |
| EBIT | 86 17% | 60 14% |
| Net profit for the period | 59 12% | 41 9% |
| EBITDA | 104 20% | 75 17% |
| Net debt/EBITDA | 0.9 | 1.4 |
| Cash generated by operations | 98 19% | 73 17% |

- 18% sales growth, LCY
- 5% organic sales growth, LCY
- Increase in gross profit margin
- Increased operational efficiency
- EBITDA growth 38%
- Net profit growth 45%
- Strong cash flow

BALANCE SHEET 31 DECEMBER 2014



| USD m | 31 Dec '14 | 31 Dec '13 |
|-------------------------------------|------------|------------|
| Non current assets | 500 | 512 |
| Current assets | 150 | 152 |
| Bank balances and cash | 28 | 42 |
| Total assets | 678 | 706 |
| Equity | 442 | 448 |
| Other liabilities | 113 | 109 |
| Debt | 122 | 150 |
| Total equity and liabilities | 678 | 706 |

- Strong balance sheet
- Net debt year end USD 93m (0.9 Net debt / EBITDA)

2015 GUIDANCE



| | Actual 2014 | Guidance 2015 |
|-----------------------------|-------------|---------------|
| Sales growth LCY | 18% | 4-6% |
| Sales growth organic LCY | 5% | 3-5% |
| EBITDA margin | 20% | 20-21% |



WE IMPROVE PEOPLE'S MOBILITY

