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## OSSUR INVESTOR PRESENTATION

2 MAY 2007



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OSSUR – Q1 2007

JON SIGURDSSON – PRESIDENT & CEO

# HIGHLIGHTS Q1 2007



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- .. Sales USD 80.4 million, up by 34% from Q1 2006
- .. Organic sales growth 4%
- .. Pro forma sales growth 7%
- .. EBITDA USD 10.2 million, up by 19% from Q1 2006
- .. EBITDA margin 12.7%, declining from 14.3% in Q1 2006
- .. Sales channel restructuring in the US
- .. Acquisitions – Somas in the Netherlands





## ●● Americas

- Major focus on sales channel restructuring
- Bracing and support pro forma sales decline
- Further challenges expected
- Prosthetics continue to grow double digits

## ●● Europe

- Clear trend of turnaround emerging in bracing and support sales
- Prosthetics sales picking up
- Turnaround in UK
- Good progress in Germany
- Gibaud double digits pro forma growth
- Somas integration on track

## ●● Asia

- Double digit pro forma sales growth

# PRODUCTS



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## ●● Prosthetics

- Growth at 8%, measured in local currency
- Product mix shifting to Bionics
- A number of new products and product improvements scheduled for 2007
- PROPRIO FOOT™ received the 2007 Medical Design Excellence Award, presented by Canon Communications

## ●● Bracing and support

- Pro forma sales decline of 3%, measured in local currency
- Sales decline in Americas due to restructuring, decline at Gibaud but rest of Europe picking up
- Product rationalization in progress
- A significant number of new products and product improvements scheduled for 2007

## ●● Compression therapy

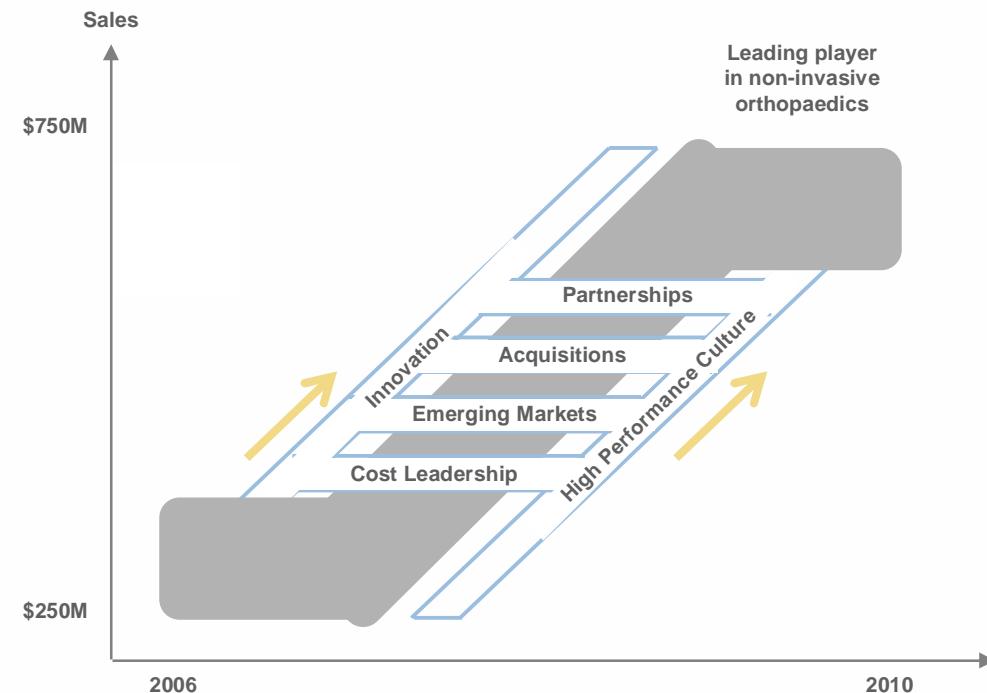
- Pro forma sales growth of 23%



*Becoming a leading player in non-invasive orthopaedics with \$750 million in sales and a 23% EBITDA margin*

Strategy:

- .. Technical innovation leadership
- .. Consolidate through acquisitions
- .. Sales and operational cost leadership
- .. Increase focus on emerging markets
- .. Add value through partnerships
  - ...supported by a high performance culture





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## FINANCIALS Q1 2007

HJORLEIFUR PALSSON – CFO

# INCOME STATEMENTS Q1 2007



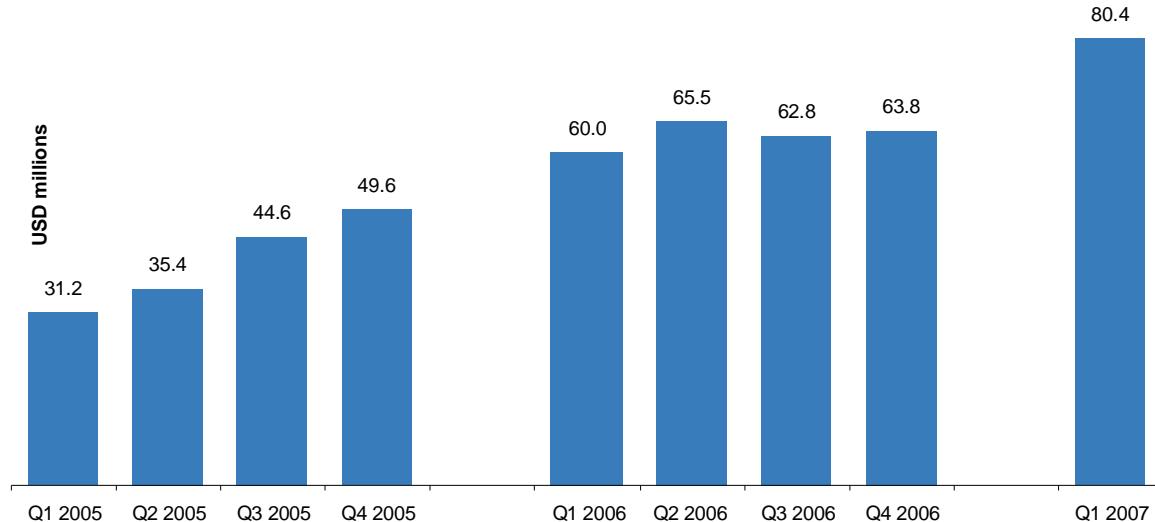
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Income Statement Q1 2007 (USD '000)	Q1 2007	% of sales	Q1 2006	% of sales	Change
Net sales	80,380	100.0%	60,034	100.0%	33.9%
Cost of goods sold	(34,394)	-42.8%	(24,078)	-40.1%	42.8%
<b>Gross profit</b>	<b>45,986</b>	<b>57.2%</b>	<b>35,956</b>	<b>59.9%</b>	<b>27.9%</b>
Other income	320	0.4%	54	0.1%	493.8%
Sales & marketing expenses	(21,978)	-27.3%	(16,009)	-26.7%	37.3%
Research & development expenses	(4,994)	-6.2%	(4,699)	-7.8%	6.3%
General & administrative expenses	(15,277)	-19.0%	(8,542)	-14.2%	78.8%
Restructuring expenses	0	0.0%	(3,000)	-5.0%	-100.0%
<b>Profit from operations</b>	<b>4,058</b>	<b>5.0%</b>	<b>3,760</b>	<b>6.3%</b>	<b>7.9%</b>
Financial income /(expenses)	(7,852)	-9.8%	(4,921)	-8.2%	59.6%
<b>Profit/(loss) before tax</b>	<b>(3,794)</b>	<b>-4.7%</b>	<b>(1,161)</b>	<b>-1.9%</b>	<b>226.8%</b>
Income tax	1,088	1.4%	1,732	2.9%	-37.2%
<b>Net profit/(loss) for the period</b>	<b>(2,706)</b>	<b>-3.4%</b>	<b>571</b>	<b>1.0%</b>	<b>n/a</b>
<b>EBITDA</b>	<b>10,240</b>	<b>12.7%</b>	<b>8,594</b>	<b>14.3%</b>	<b>19.2%</b>

# NET SALES BY QUARTER 2005 – 2007



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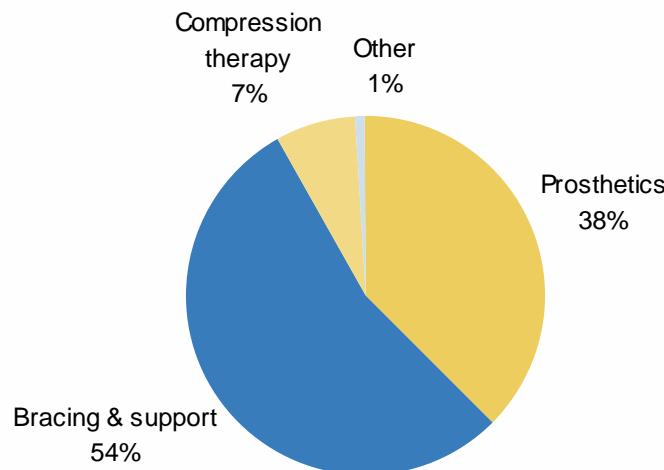


# SALES BY BUSINESS SEGMENT Q1 2007

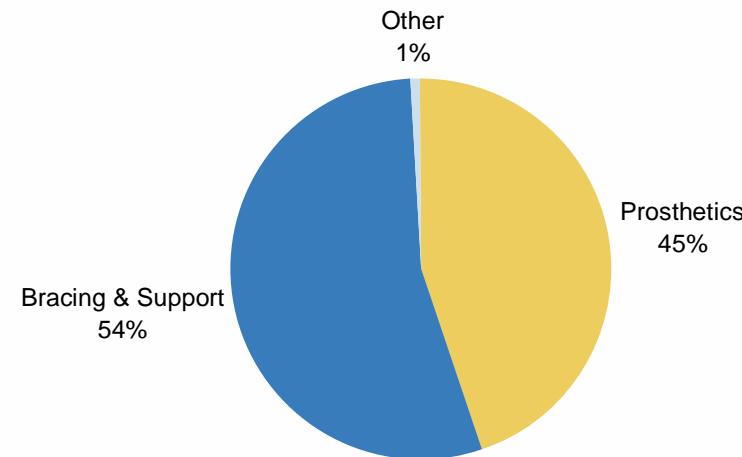


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Q1 2007



Q1 2006



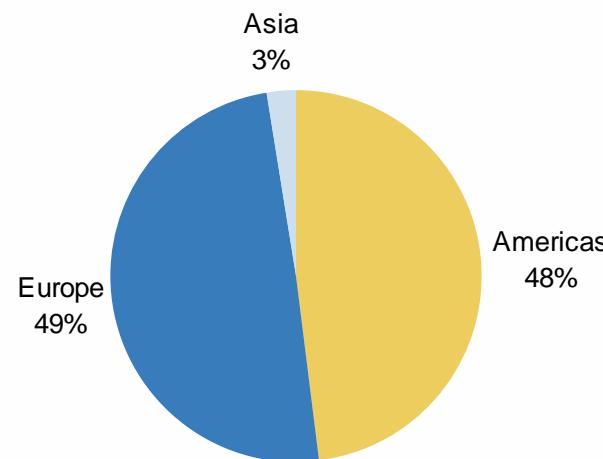
USD '000	Q1 2007	Q1 2006	Growth in USD
Bracing & support	43,777	32,692	34%
Prosthetics	30,166	26,892	12%
Compression therapy	5,833	n/a	n/a
Other	604	450	34%
<b>Total</b>	<b>80,380</b>	<b>60,034</b>	<b>34%</b>

# SALES BY GEOGRAPHICAL MARKET Q1 2007

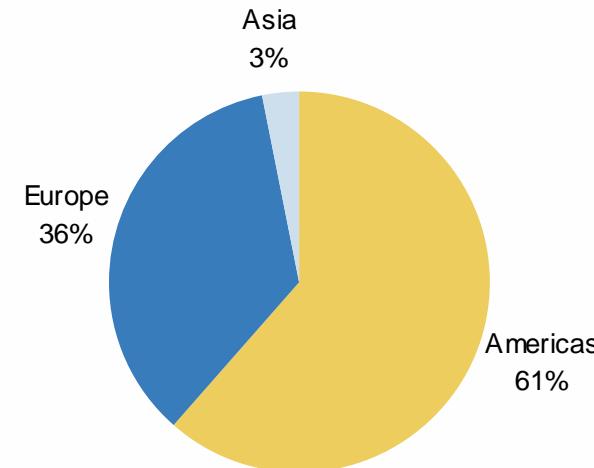


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Q1 2007

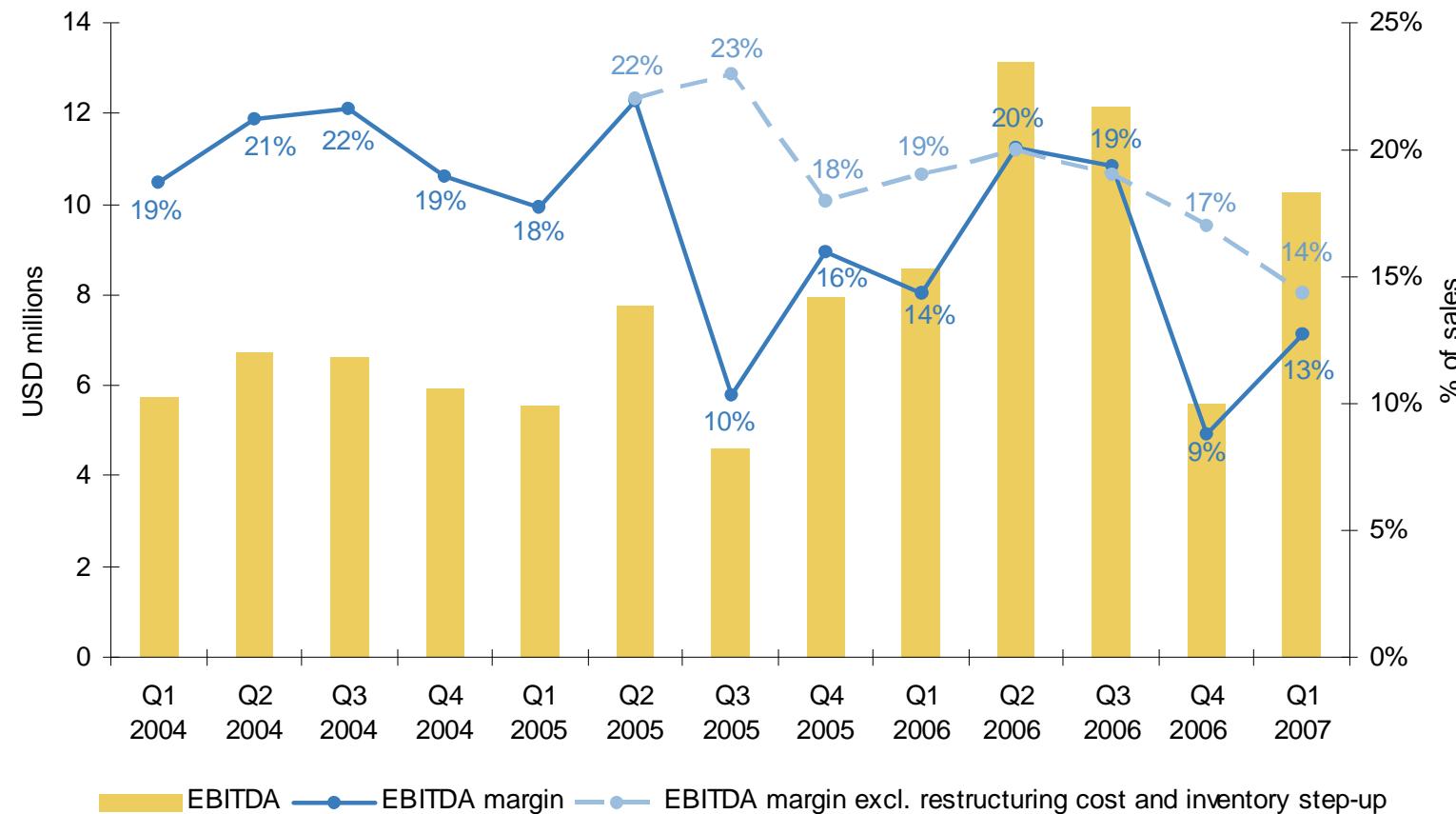


Q1 2006



USD '000	Q1 2007	Q1 2006	Growth in USD	Growth in LCY
Americas	38,587	36,887	5%	5%
Europe	39,675	21,308	86%	71%
Asia	2,118	1,839	15%	17%
Total	80,380	60,034	34%	29%

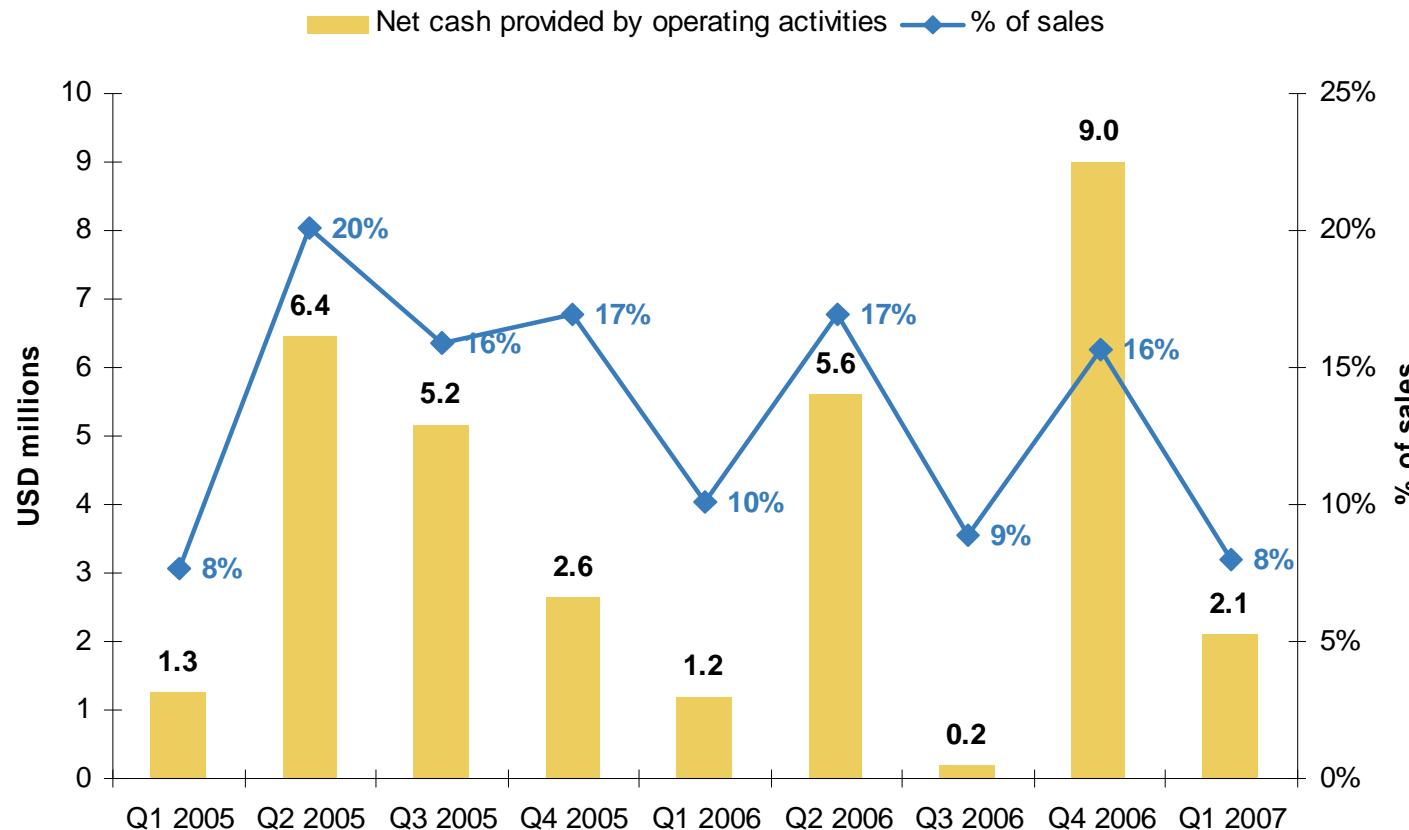
# EBITDA AND EBITDA RATIO 2005 – Q1 2007



# NET CASH PROVIDED BY OPERATING ACTIVITIES



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# BALANCE SHEETS 31 MARCH 2007



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USD '000	31 March 2007	31 December 2006	% Change
Fixed assets	495,873	489,319	1%
Current assets	134,218	123,433	9%
<b>Total assets</b>	<b>630,091</b>	<b>612,752</b>	<b>3%</b>
Stockholders' equity	160,148	161,639	-1%
Long-term liabilities	239,469	234,538	2%
Current liabilities*	230,474	216,575	6%
<b>Total equity and liabilities</b>	<b>630,091</b>	<b>612,752</b>	<b>3%</b>
Current ratio*	0.6	0.6	
Equity ratio*	25%	26%	

\* A 100 million euro bridge loan facility agreement entered into in December 2006 to finance the acquisition of the Gibaud Group is included in current liabilities.

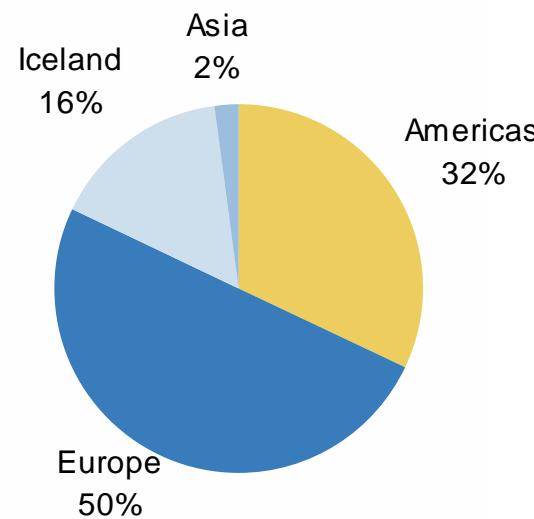
# CAPITAL INVESTMENTS Q1 2007



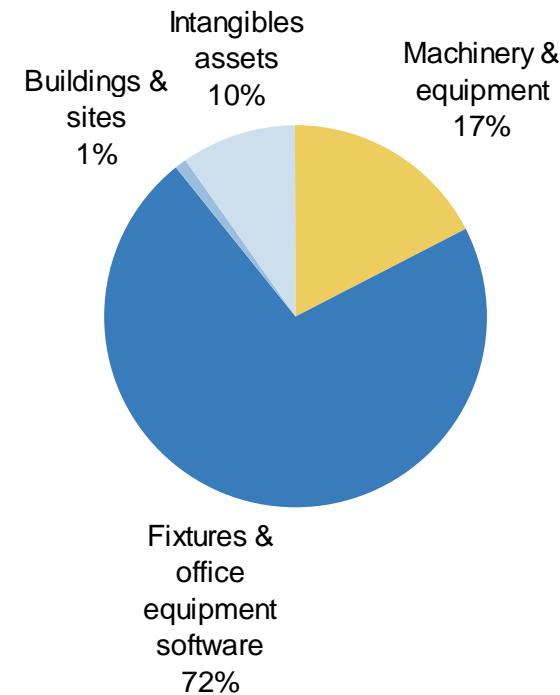
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*Capital investments amounted to USD 1.9 million in Q1 2007, or 2.4% of sales*

By location



By category



# MAIN SHAREHOLDERS 31 MARCH 2007



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		Nominal value	%
William Demant Invest A/S	Investment Fund	144,952,402	37.66
Eyrir Invest ehf	Investment Company	84,040,215	21.83
Mallard Holding S.A.	Founder & Family	37,526,769	9.75
Vik Investment Holding S.a.r.L.	President & CEO	24,446,907	6.35
Lífeyrissjóður verslunarmana	Pension Fund	7,870,283	2.04
Arion safnreikningur	Custody Bank	6,823,388	1.77
GLB Hedge	Hedge Fund	3,784,174	0.98
Landsbanki Íslands hf	Bank	3,588,768	0.93
Mycenaean Holding S.a.r.L.	VP of R&D	3,560,347	0.92
MP Fjárfestingarbanki hf	Investment Bank	3,000,000	0.78
Sameinaði lífeyrissjóðurinn	Pension Fund	2,320,861	0.60
Fidelity Funds	Investment Fund	2,130,900	0.55
Ker Holding S.a.r.L.	President of Ossur Asia	2,124,450	0.55
BYR sparisjóður	Bank	2,100,000	0.55
Cyclops Holding S.a.r.L.	President of Ossur Americas	2,027,900	0.53
Top 15 shareholders		330,297,364	85.79
Others (2,820)		54,643,083	14.21
Total number of shares		384,940,447	100.00

