



Life Without Limitations

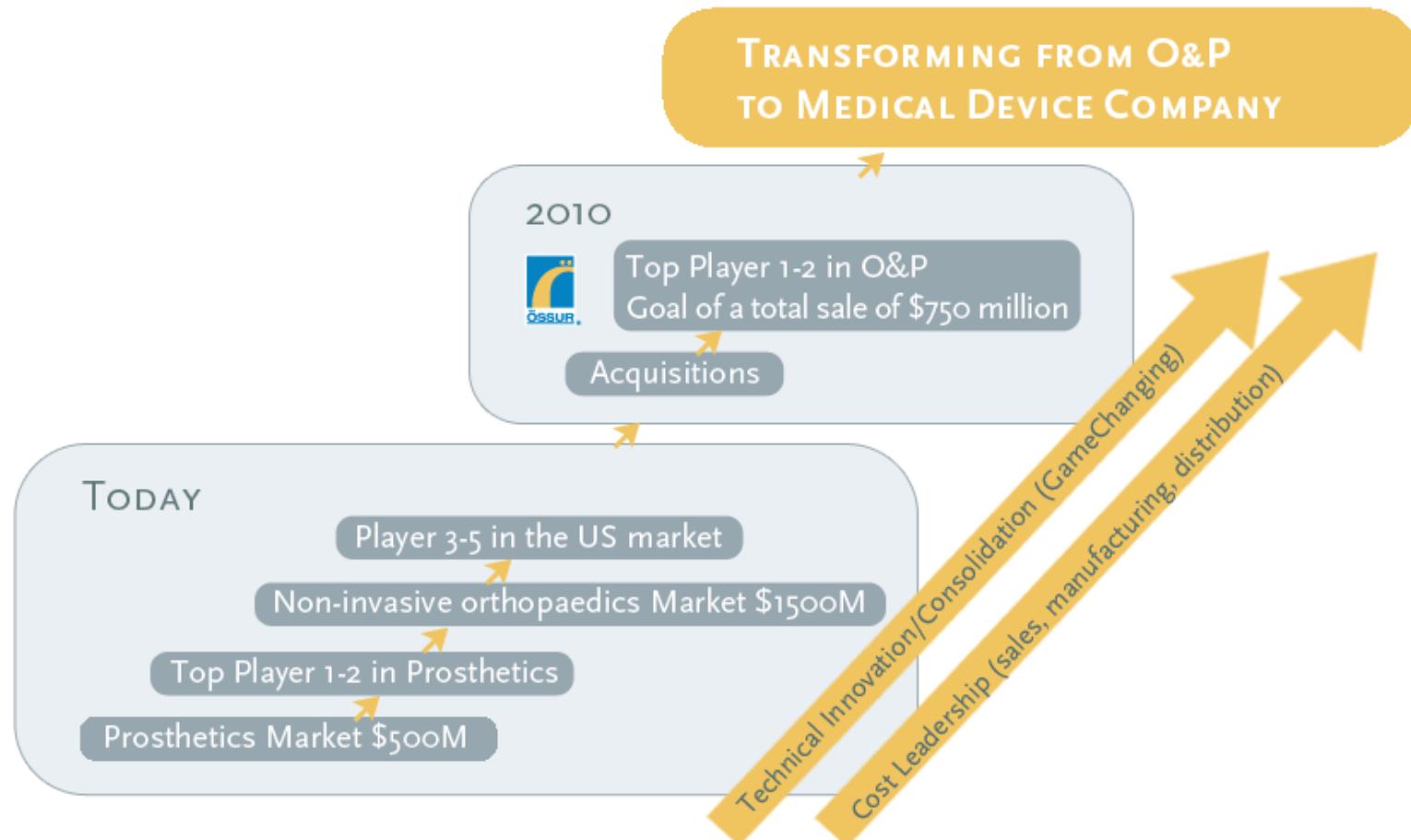
Ossur – Q1 2006 Overview

Jón Sigurðsson, President & CEO

Future Vision



Life Without Limitations



Proceeding Towards Our Goals for 2010



Life Without Limitations

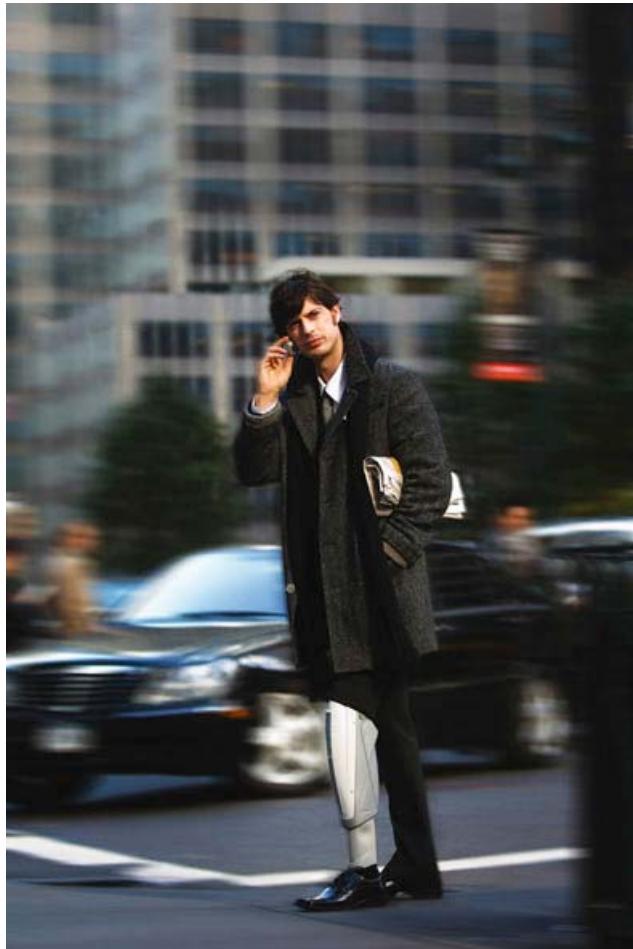


- Ambitious organic growth realized in the prosthetic sector
- Bracing and support sales over 50% of first quarter sales
- Integration and restructuring proceeding according to plan
- Technological leadership proven by launch of bionic technology products
- Important bracing and support product introductions
- Financial results on target
- Various potential acquisition targets on the radar

Promising Prospects



Life Without Limitations

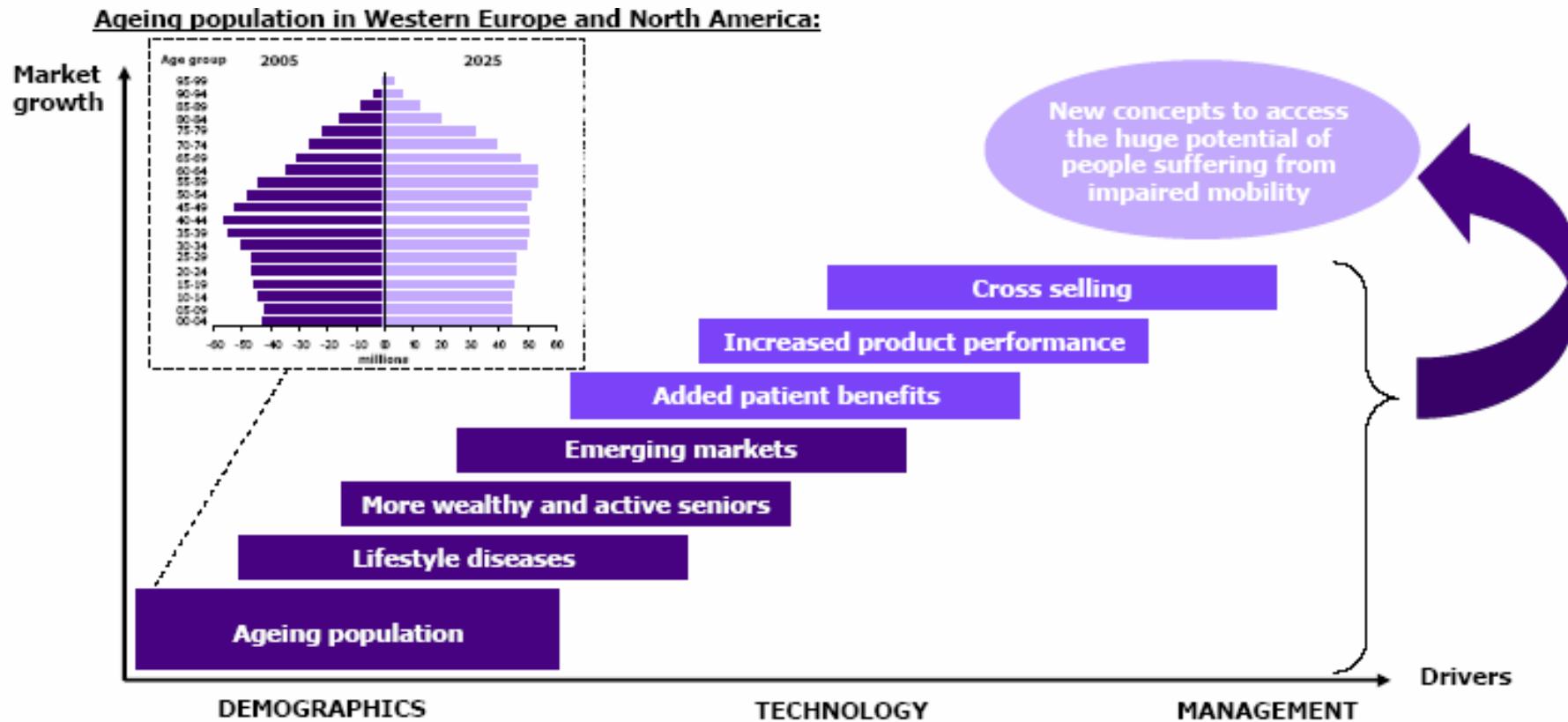


- Strong underlying market growth drivers
- Attractive market position
- Significant scope for further consolidation
- Technological leadership
- Increasing product assortment and customer base
- Strong financial partners
- Clear strategic agenda

Strong Underlying Market Growth Drivers



Life Without Limitations



- Demographic characteristics offer good growth reliability (unit growth)...
- ...technological advancements to increase prices (value growth)...
- ...and in total offer great growth opportunities



- Global orthopaedic company
- Growing through innovation
- Transforming through acquisitions

**Ossur – becoming a leader in
the orthopaedic industry**



Life Without Limitations

Ossur – Q1 2006 Financials

Hjörleifur Pálsson, CFO

Financial Highlights Q1 2006



Life Without Limitations



- Innovation Sports included from 18 January 2006
- Total sales 60 million USD, up 93% from Q1 2005
- Organic sales growth 12%
- Pro forma sales growth 11%
- EBITDA 19%, excluding one time expenses
- Amortization relating to recent acquisitions pressing operational profit by 5%

Financial Highlights Q1 2006

Including USD 3 million one-time restructuring expenses



Life Without Limitations

USD '000	Q1 2006	Q1 2005	% Change
Net sales	60,034	31,150	93%
Gross profit	35,956	18,649	93%
Operational profit	3,760	4,401	-15%
Net profit	571	3,173	-82%
EBITDA	8,594	5,533	55%
EPS (US Cents)	0.15	1.01	-85%
Cash generated by operations	6,076	2,377	156%

Financial Highlights Q1 2006

Excluding USD 3 million one-time restructuring expenses and amortization of intangible assets related to recent acquisitions



Life Without Limitations

USD '000	Q1 2006	Q1 2005	% Change
Net sales	60,034	31,150	93%
Gross profit	35,956	18,649	93%
Operational profit	9,615	4,401	118%
Net profit	4,115	3,173	30%
EBITDA	11,594	5,533	109%
EPS (US Cents) ¹⁾	1.07	1.01	6%
Cash generated by operations	6,076	2,377	156%

Income Statement Q1 2006 by Entity

Excluding USD 3 million one-time restructuring expenses



Life Without Limitations

USD '000	Ossur	Royce	IS ¹⁾	IMP	Total
Net sales	34,914	16,557	4,564	3,999	60,034
Gross profit	21,070	10,551	2,236	2,060	35,956
Operational profit	4,329	1,405	652	335	6,721
EBITDA	5,749	4,216	1,018	571	11,593
Pro forma sales growth%	12.1%	7.4%	4.6%	17.0%	10.5%
GPM %	60.3%	64.0%	49.0%	51.5%	59.9%
R&D % ²⁾	8.1%	9.0%	5.9%	3.4%	7.8%
SG&A % ³⁾	40.0%	46.3%	28.8%	39.8%	40.9%
Operational profit % ⁴⁾	12.4%	8.5%	14.3%	8.4%	11.3%
EBITDA %	16.5%	25.5%	22.3%	14.3%	19.3%

1) Innovation Sports, Inc, included from 18 January 2006

2) R&D expenses due to amortization of intangible assets related to the acquisition of Royce Medical, IMP and Innovation Sports account for 1.7% of sales

3) SG&A expenses due to amortization of intangible assets related to the acquisition of Royce Medical, IMP and Innovation Sports account for 3.1% of sales

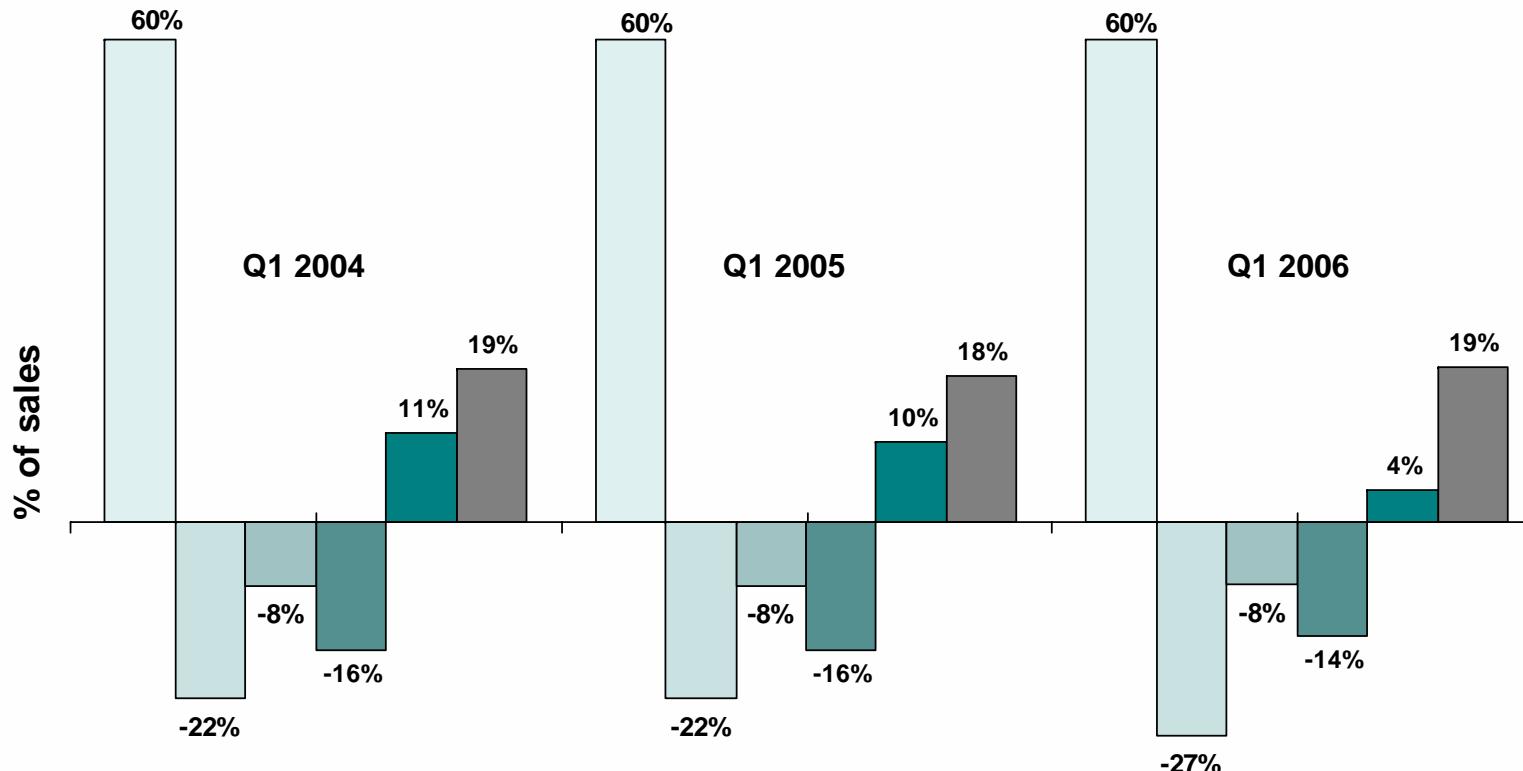
4) Amortization of intangibles assets pressing operational profit down by 4.8%

Key Ratios Q1 2004-2006

Excluding USD 3 million one-time restructuring expenses



Life Without Limitations



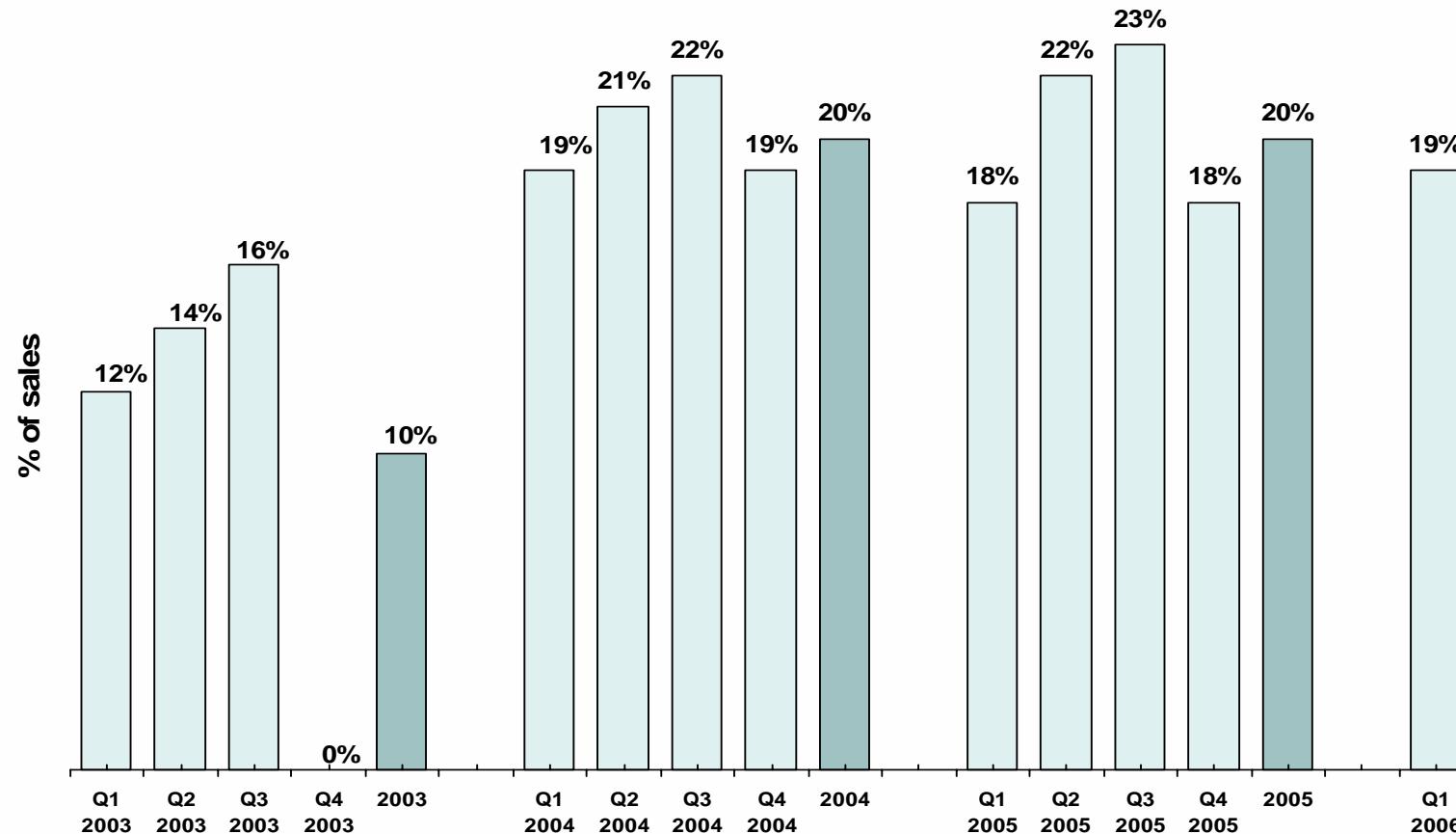
Note: Distribution of USD 2.86 million amortization of intangible assets related to the acquisition of Royce Medical, IMP and Innovation Sports on individual operating cost items and effect on profit Q1 2006:

	S&M	R&D	G&A	Operational profit	Net profit
USD million	1.63	0.99	0.23	-2.86	-1.74
% of sales	2.7%	1.7%	0.4%	-4.8%	-2.90%

EBITDA Ratio 2003-2006



Life Without Limitations

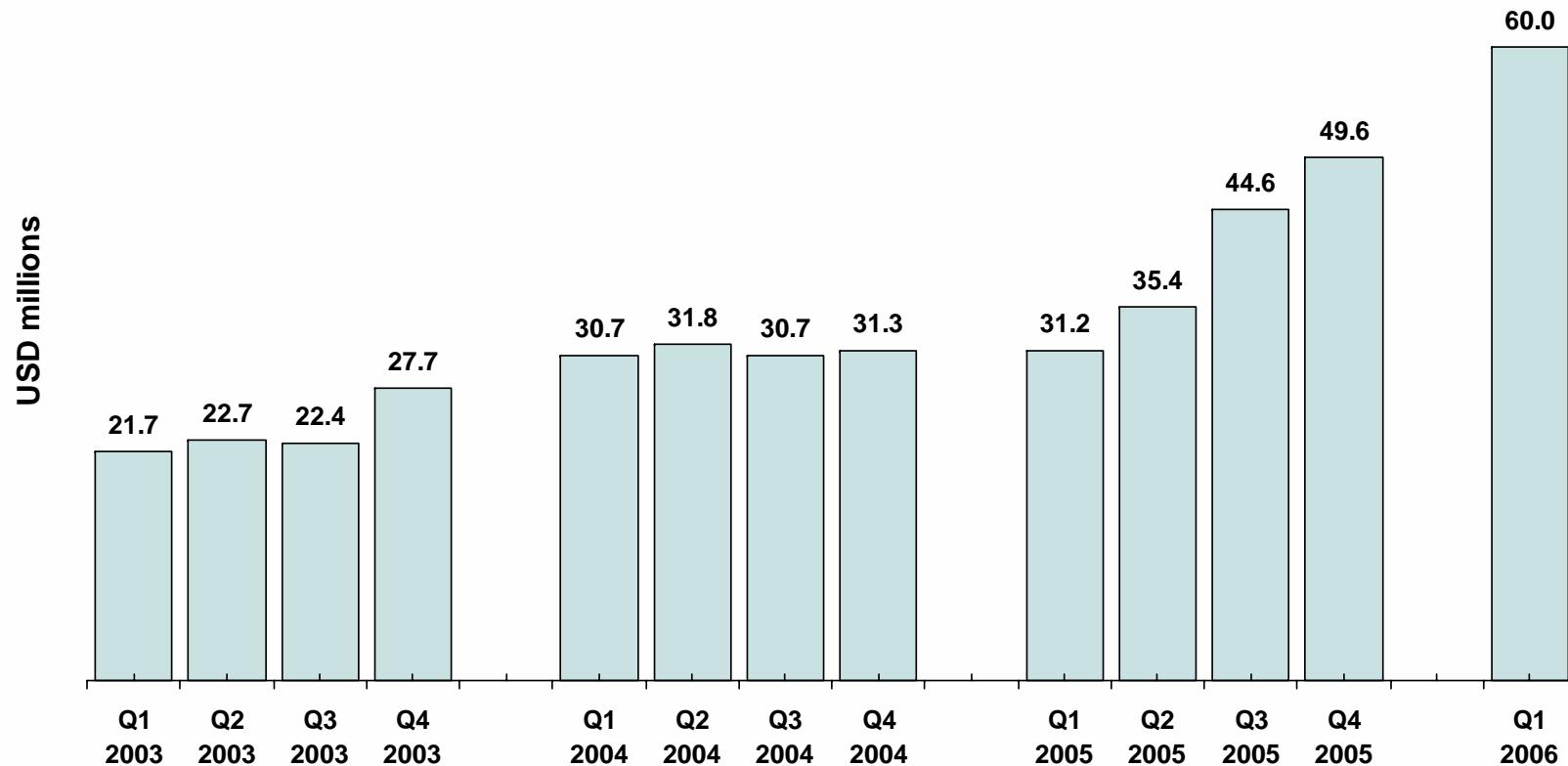


Note: Excluding one-time restructuring expenses related to the acquisitions of Royce Medical, IMP and Innovation Sports

Net Sales by Quarters 2003-2006



Life Without Limitations



Sales by Markets Q1 2006



Life Without Limitations

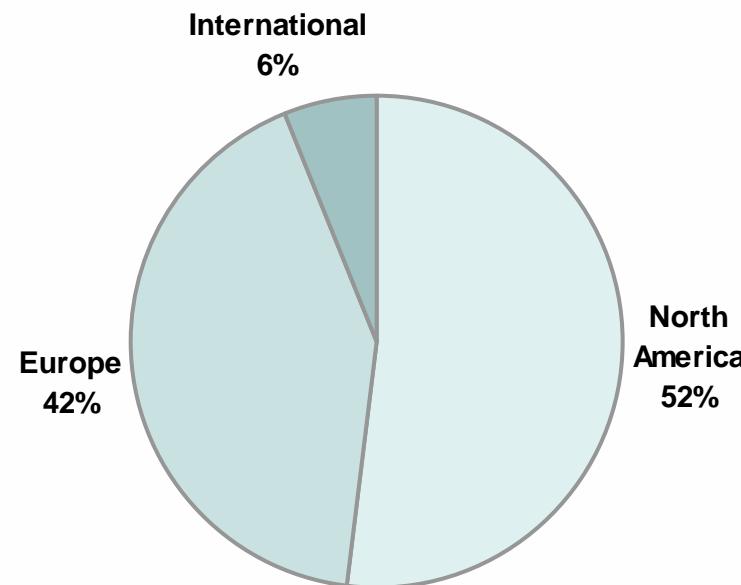
USD '000	Q1 2006	Q1 2005	% Growth USD	% Growth LCY
North America	36,488	16,201	125%	124%
Europe (excl. Nordic & Domestic)	14,773	8,339	77%	86%
Nordic & Domestic	4,952	4,742	4%	14%
Other International Markets	3,821	1,868	104%	104%
Total	60,034	31,150	93%	96%

Sales by Markets

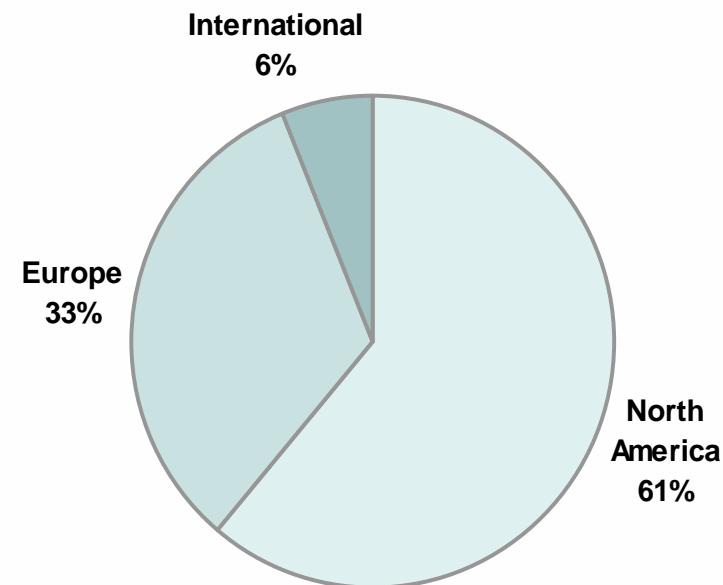


Life Without Limitations

Q1 2005



Q1 2006

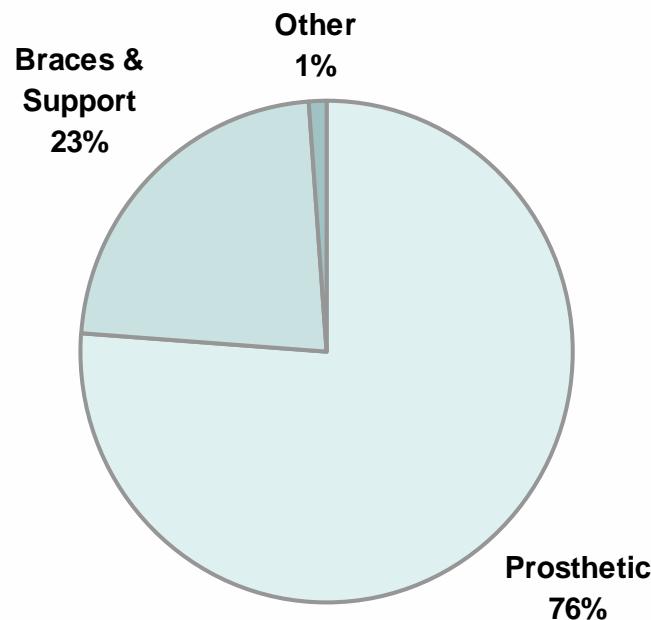


Sales by Business Segments

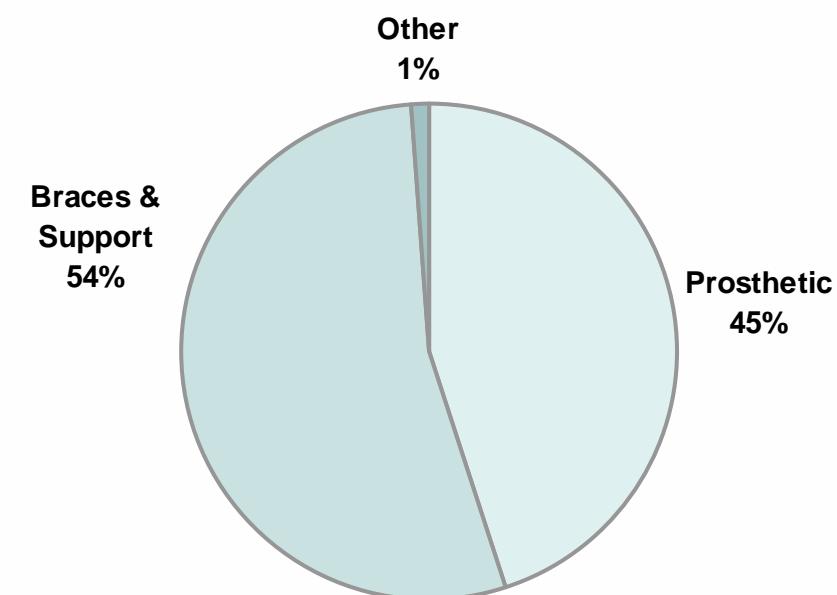


Life Without Limitations

Q1 2005



Q1 2006



Balance Sheet 31 March 2006



Life Without Limitations

USD '000	31 March 2006	31 December 2005	% Change
Fixed assets	363,261	325,873	11%
Current assets	71,966	82,113	-12%
Total Assets	435,227	407,986	7%

Stockholders' equity	154,027	152,829	1%
Long-term liabilities	233,189	215,361	8%
Current liabilities	48,011	39,796	21%
Total equity and liabilities	435,227	407,986	7%

Current ratio	1,5	2,1
Equity ratio	35%	37%

Shareholders 31 March 2006



Life Without Limitations

		Nominal value	%
William Demant Invest A/S	Investment Fund	141.952.402	36,88
Eyrir Invest ehf	Investment Fund	56.185.481	14,60
Mallard Holding S.A.	Founder & Family	36.926.769	9,59
Vik Investment Holding S.a.r.L.	President & CEO	24.446.907	6,35
Lífeyrissjóður verslunarmanna	Pension Fund	13.303.854	3,46
Kaupþing banki hf	Bank	12.357.832	3,21
Arion safnreikningur	Custody Bank	7.631.080	1,98
Lífeyrissjóðir Bankastræti 7	Pension Fund	7.630.719	1,98
Landsbanki Íslands hf,aðalstöðv	Bank	5.240.564	1,36
Sparisjóður Hafnarfjarðar	Bank	4.021.547	1,04
Gildi -lífeyrissjóður	Pension Fund	3.641.910	0,95
Mycenaean Holding S.a.r.L.	VP of R&D	3.560.347	0,92
Fidelity Funds-Nordic Fund	Investment Fund	3.270.472	0,85
Lífeyrissjóður Vestfirðinga	Pension Fund	2.504.608	0,65
Sameinaði lífeyrissjóðurinn	Pension Fund	2.494.754	0,65
Top 15 shareholders	325.169.246	84,47	
Others (3.060)	59.771.201	15,53	
Total	384.940.447		100,00

