



*Life Without Limitations*

# Ossur Shareholders' Meeting

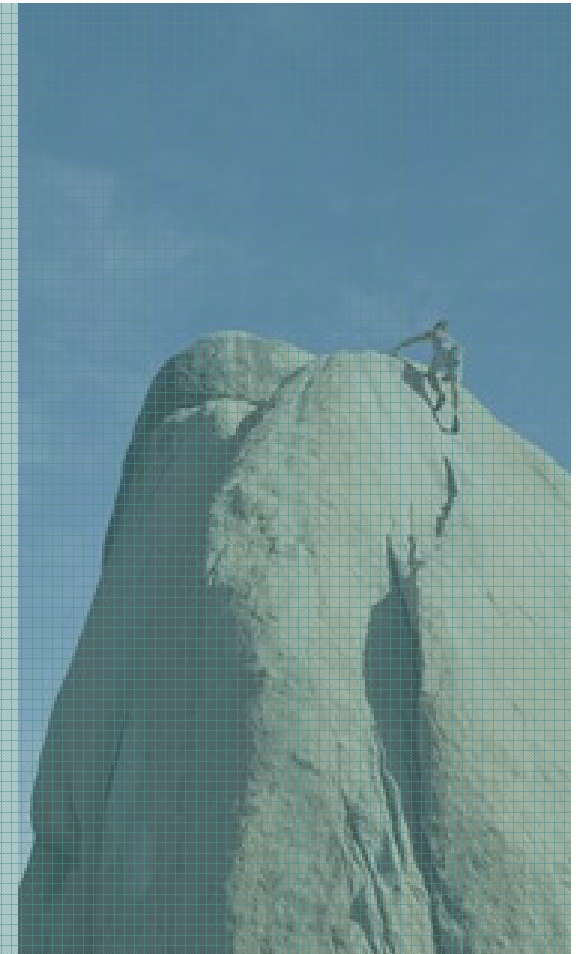
19 August 2005

# WHY ?



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- Accelerate Ossur's progress towards becoming a top tier player in the worldwide orthopedic and rehabilitation industry
- Substantially increase Ossur's scale, presence and market share in the US orthotics market
- Access to efficient, low cost manufacturing facilities and know-how
- Complete product fit between Ossur and Royce
- Little overlap/conflict with Ossur's prosthetics business
- Create a platform well positioned to make and integrate additional acquisitions
- Opportunity to leverage successful US orthotics sales model in Europe



# THE ACQUISITION IN NUMBERS



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	Amount in USD
Purchase Price of Equity	-216 m USD
Fees and transaction costs (estimated)	-9 m USD
<b>Total transaction value</b>	<b>-225 m USD</b>
Refinancing of Ossur debt	-30 m USD
<b>Total use of funds</b>	<b>-255 m USD</b>
<b>Total sources of funds</b>	<b>+313 m USD</b>
Credit line and excess funding	+58 m USD

# LOAN FACILITY AGREEMENT



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	USD million	Term	Interests
Bridge loan against planned Equity issue	80	Up to 6 months	2.50%
Term loan A	80	5 years	1.50%
Bullet loan	60	6 years	1.75%
Bullet loan	60	7 years	1.75%
Credit line Facility	30	5 years	1.50%
Guarantee Facility	3	5 years	
Total	313		

# KEY FINANCIALS LTM JULY 2004 – JUNE 2005



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USD '000	Royce	Ossur	Pro forma
Net sales	67,803	128,528	196,331
Gross profit	41,809	77,337	119,146
Operational profit (EBIT)	16,733	21,107	37,840
EBITDA	17,840	25,859	43,699
Sales growth %	7,8%	14,2%	11,9%
GPM %	61.7%	60.2%	60.7%
EBIT %	24.7%	16.4%	19.3%
EBITDA %	26.3%	20.1%	22.3%

# BECOMING TIER 1 PLAYER IN ORTHOTICS



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## Tier 1

### Major Manufacturers

- 5%+ Market Share
- Broad Product Lines
- Wide Distribution
- Stock & Bill

#### Players:

dj Orthopedics, DeRoyal,  
**Royce Medical/G2/Ossur**,  
Aircast and Breg/Orthofix

## Tier 2

### Mid-Level Manufacturers

- <5% Market Share
- Focused Product Lines

#### Players:

Active Ankle, Townsend,  
Innovation Sports,  
Bledsoe etc.

## Tier 3

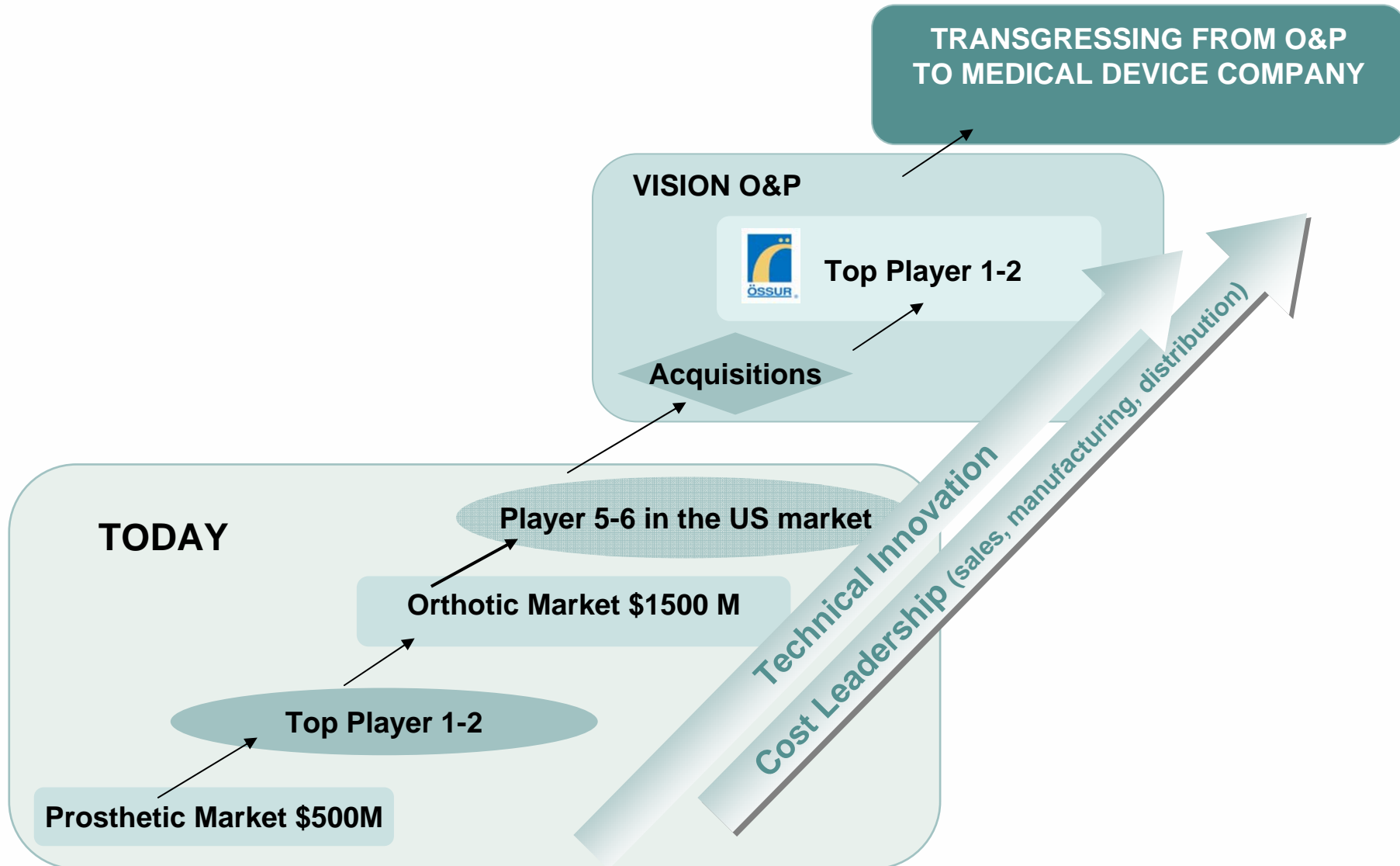
### Niche Players

- Small Market Share
- “Me Too” Products
- New Competitor or Low Performer
- Limited Distribution

# THE ROADMAP



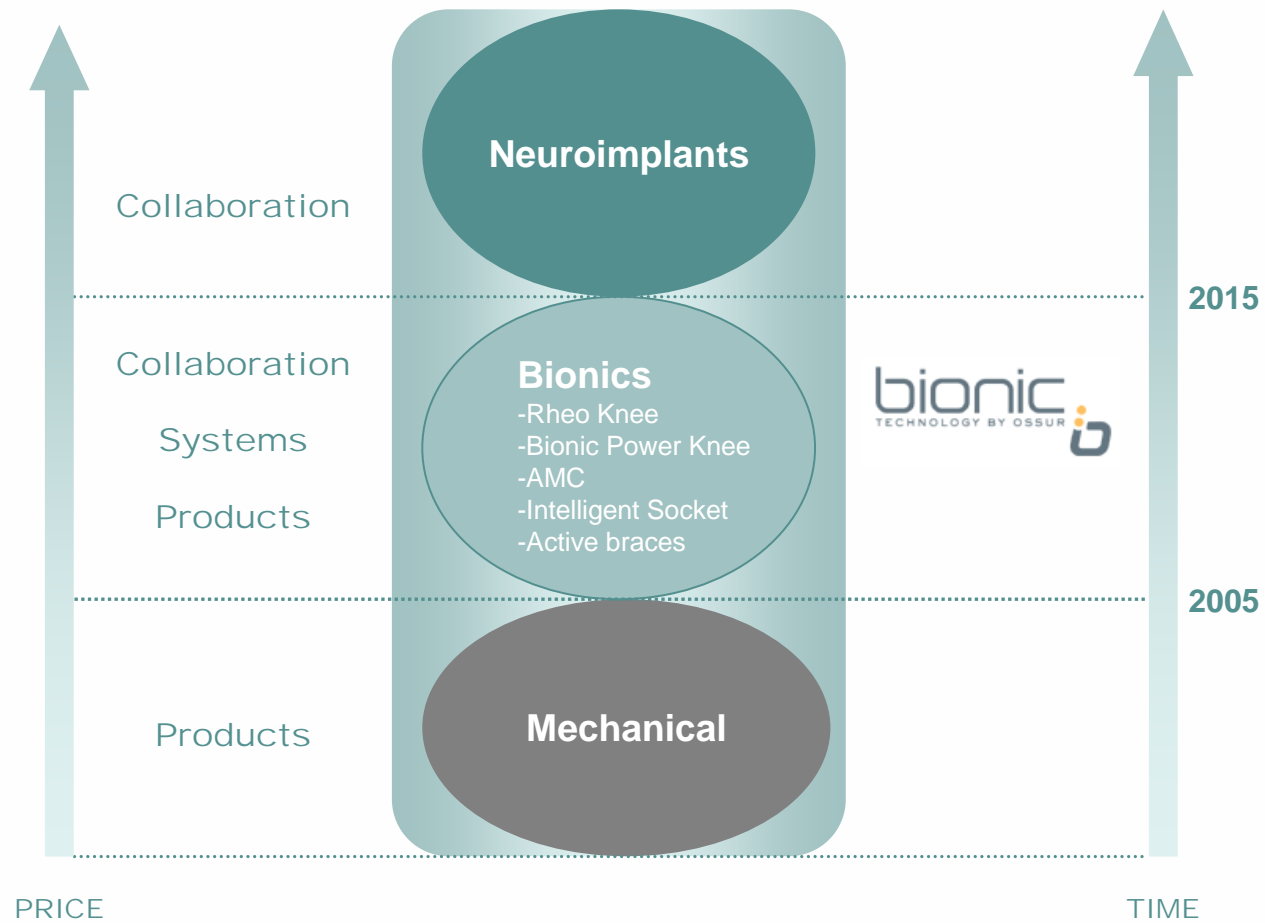
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# TECHNOLOGICAL LEADERSHIP AT ALL TIMES



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# SALES MODEL



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INSIDE SALES

OUTSIDE SALES

PRIVATE LABEL

DISTRIBUTORS



ORTHOPEDISTS

PHYSICAL THERAPISTS

O&P

PODIATRY

HOSPITAL

ATHLETIC TRAINERS

RHEUMATOLOGISTS

# ROYCE MEDICAL



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- 321 associates
- \$68m in annual revenue
- 35 years of experience



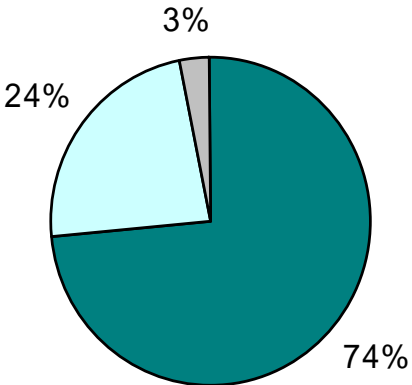
**ROYCE MEDICAL®**

*An Ossur Company*

# PRODUCT MIX / SALES

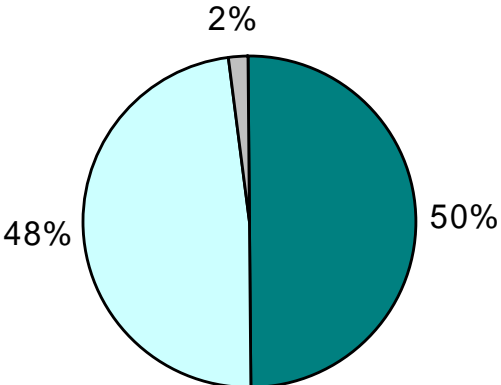


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## Össur

- Prosthetics
- Orthotics
- Other



## Össur & Royce

- Prosthetics
- Orthotics
- Other



# ÖSSUR VISION



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