



Össur hf. Q2 2014

Investor Meeting

Jón Sigurðsson, President & CEO
Sveinn Sölvason, CFO

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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 2014 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 Q2 2014

SALES USD 133m

- 23% growth LCY, 3% organic LCY
- B&S 30% growth LCY, -1% organic LCY
- Prosthetics 15% growth LCY, 8% organic LCY

OPERATIONS EBITDA USD 29m

- Gross profit margin 64%
- EBITDA margin 22%
- EBITDA growth 90%, increase of USD 14m
- Net profit growth 106%, increase of USD 9m

HIGHLIGHTS

- Strong profitability
- Slow quarter in B&S
- Prosthetics sales growth, driven by bionics

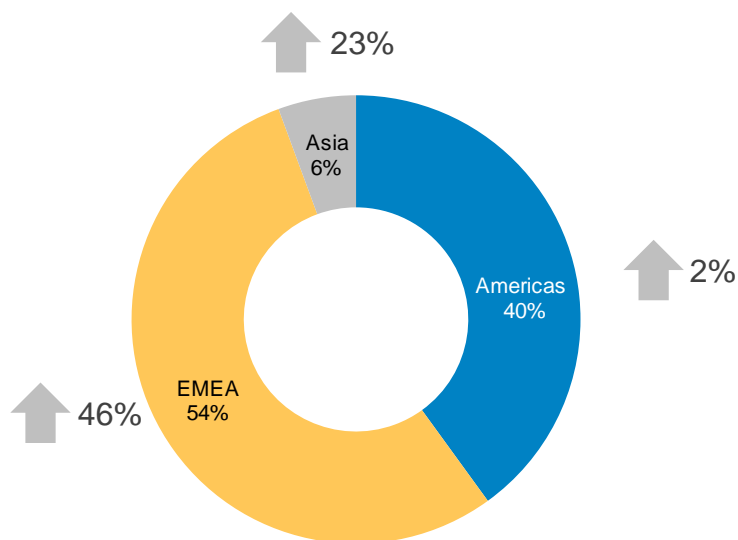
Note:

All growth numbers refer to year-on-year growth

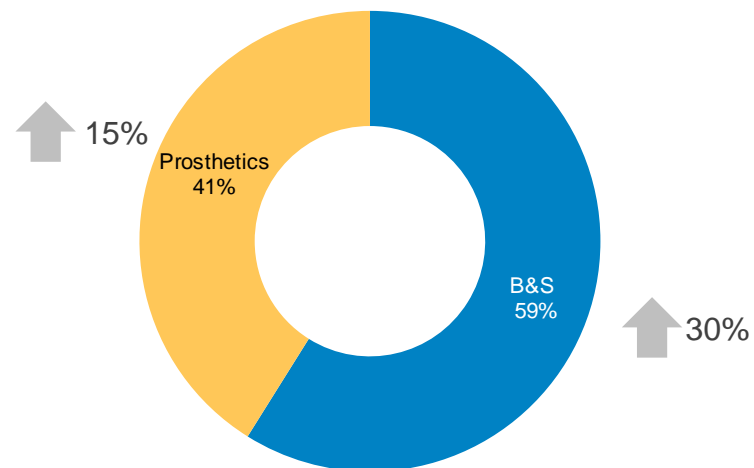
Comparative quarter affected by one time expenses amounting to USD 5m

GROWTH BY GEOGRAPHY AND SEGMENTS

Sales by geography



Sales by segments



Note: All growth numbers are in local currency

Q2 SEGMENT HIGHLIGHTS

	EMEA	AMERICAS	ASIA
Bracing and supports	<ul style="list-style-type: none"> Moderate sales growth Impact from acquisitions 	<ul style="list-style-type: none"> Decline in sales Focus on high end products and increased profitability Challenging market conditions 	<ul style="list-style-type: none"> Moderate sales growth Small acquisition in the beginning of Q3 2014
Prosthetics	<ul style="list-style-type: none"> Continued growth across all markets and product lines Impact from acquisitions 	<ul style="list-style-type: none"> Strong sales growth Growth in all major product lines 	<ul style="list-style-type: none"> Strong sales growth

NEW PRODUCTS IN Q2 2014

9 products launched during the quarter

5 new products in bracing and supports

REBOUND DIABETIC WALKER®



*Effective, safe and compliant
support of foot diabetic ulcer treatment*

4 new products in prosthetics

SEAL IN® X TF



*Thinner, tougher, longer, with a moveable
seal for personalized fit*



Financials Q2 2014

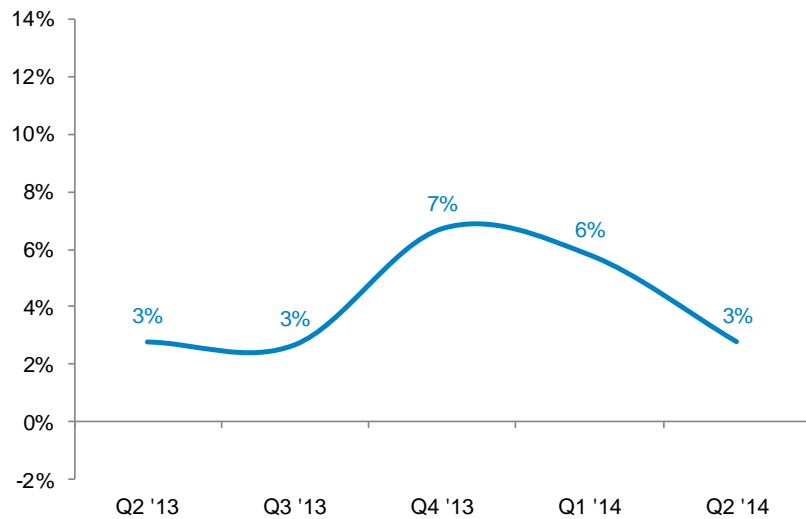
FINANCIALS

USD M	Q2 2014	Q2 2013
Net Sales	133	106
Gross profit	85 64%	65 61%
Profit from operations	25 19%	12 11%
Net profit for the period	17 13%	8 8%
EBITDA	29 22%	15 14%
Net debt/EBITDA	1.0	1.4
Cash generated by operations	25 19%	11 11%

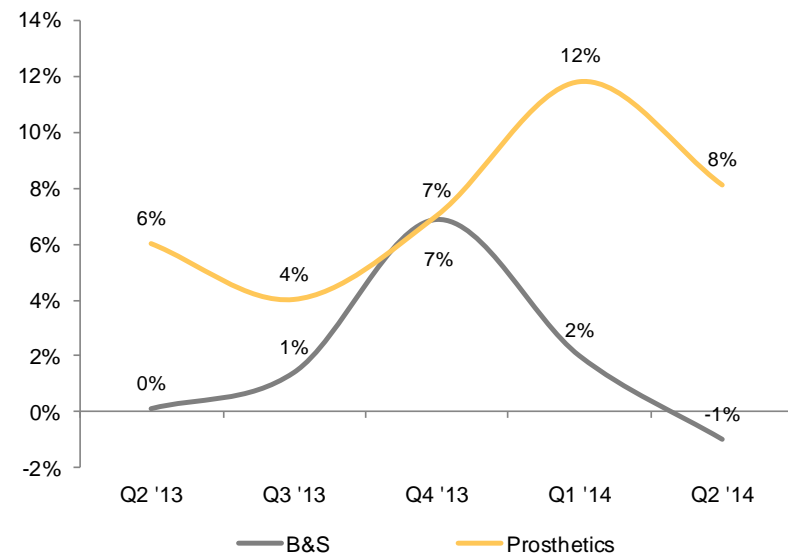
- 23% sales growth, LCY
- 3% organic sales growth, LCY
- Q2 2013 impacted by one time expenses of USD 5m
- Gross profit margin increase
- Increased operational efficiency
- Net profit up by 106%
- Strong cash flow

ORGANIC SALES 3% GROWTH

SALES

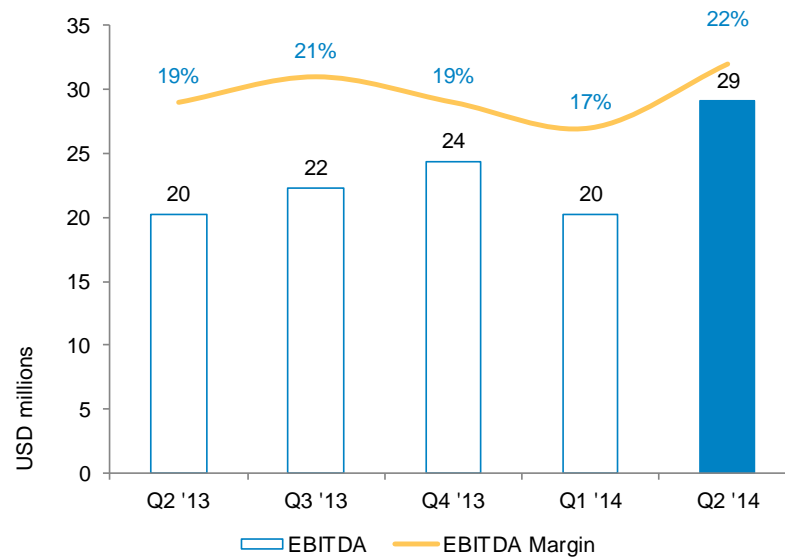


SALES BY SEGMENTS



Note: Organic growth in LCY

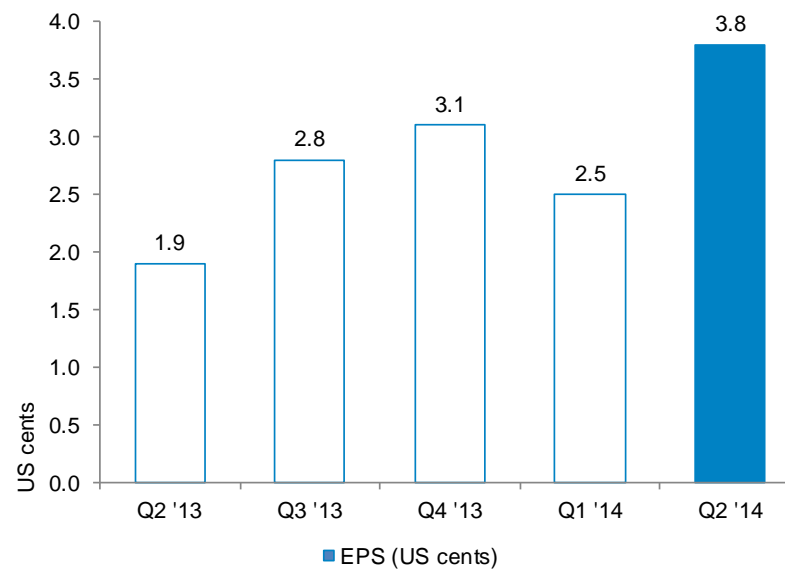
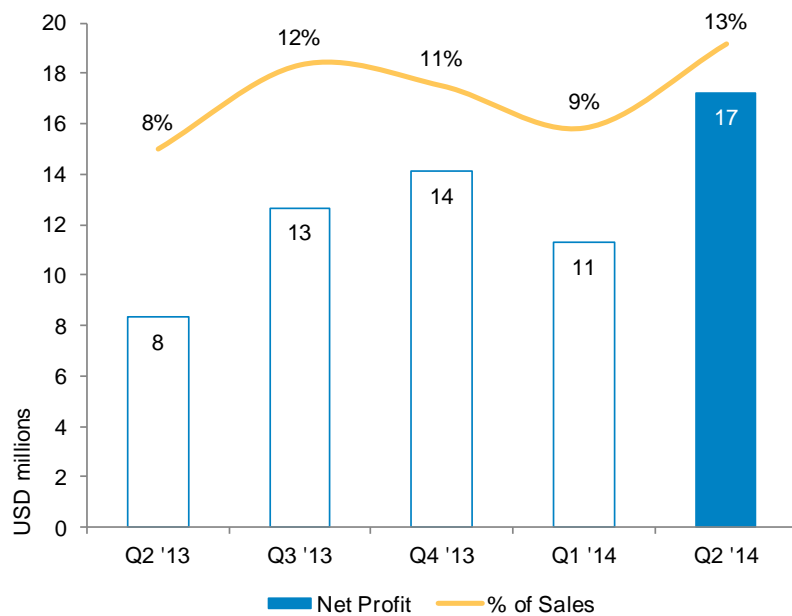
EBITDA MARGIN 22%



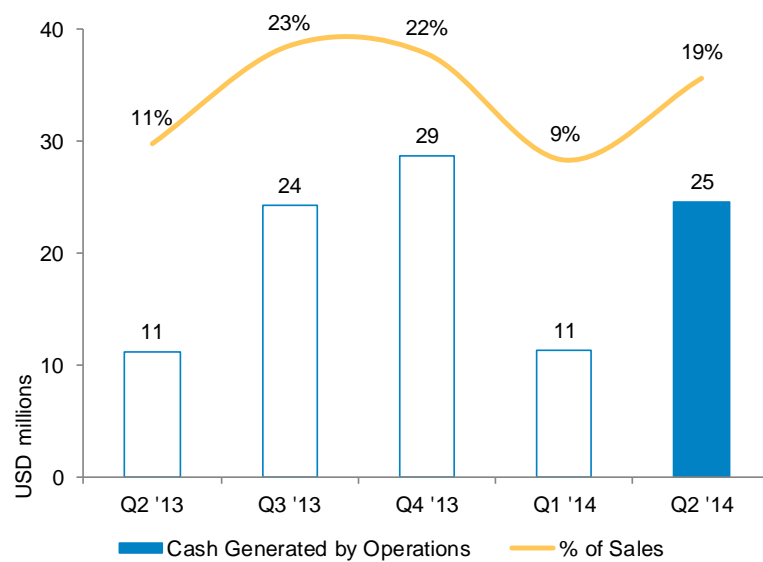
- Growth in adjusted EBITDA 44%
- Positive effect from product mix
- Increased efficiency in manufacturing and operations
- Seasonally strong quarter for acquired companies

Note: Adjusted EBITDA margin

NET PROFIT AND EPS



CASH FLOW FROM OPERATIONS



- Good cash flow from operations
- Investment in net working capital

2014 REVISED GUIDANCE

	YTD 2014	Guidance 2014		Revised guidance 2014
Sales growth LCY	23%	14-16%	➡	16-18%
Sales growth organic LCY	4%	2-4%	➡	3-4%
EBITDA margin	19%	17-19%	➡	19-20%



WE IMPROVE PEOPLE'S MOBILITY

