



ÖSSUR HF. Q2 2013

INVESTOR MEETING



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FORWARD LOOKING STATEMENTS



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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 2013 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 2013



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SALES
USD 106 M



- 3% growth LCY
- B&S 0% growth LCY
- Prosthetics 6% growth LCY

OPERATIONS
EBITDA USD 15 M



- Gross profit margin adj. 62% / GPM 61%
- EBITDA adj. 19% / EBITDA 14%

HIGHLIGHTS



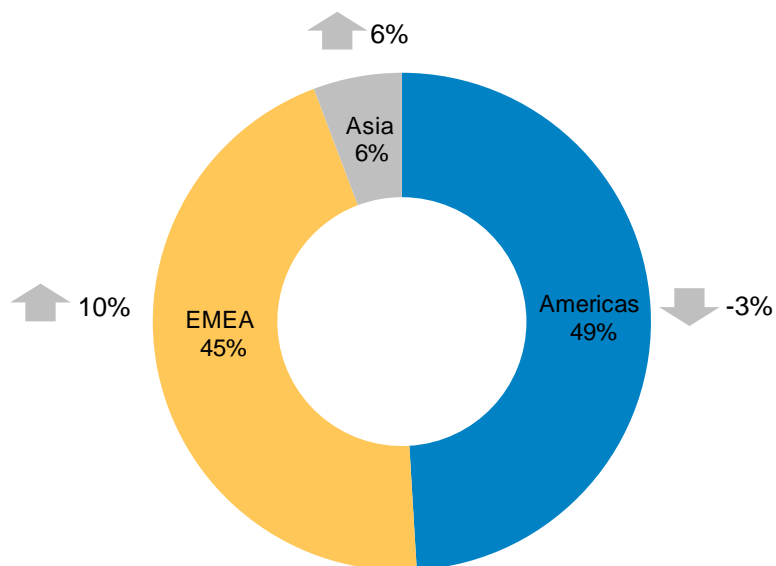
- Cost reduction actions
- Acquisition in Sweden

GROWTH BY SEGMENTS AND GEOGRAPHY Q2 2013

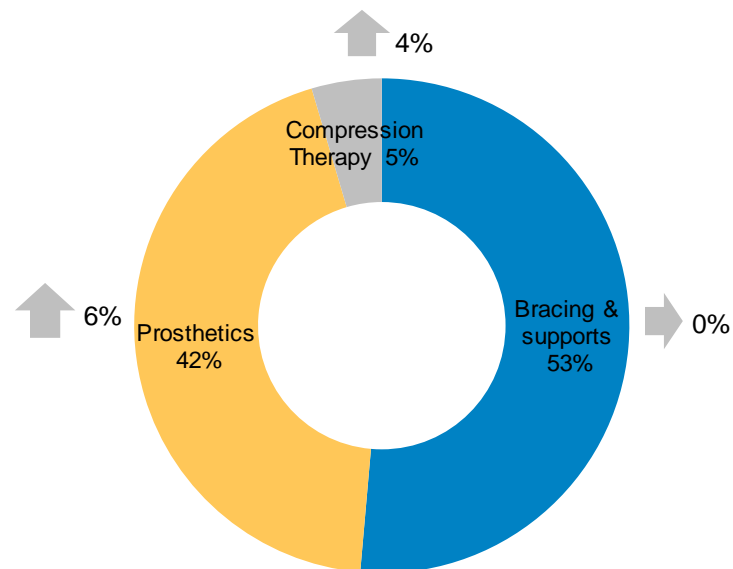


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Sales by geography



Sales by segments



Note: All growth numbers are in local currency

SEGMENT HIGHLIGHTS



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	AMERICAS	EMEA	ASIA
Bracing and supports	<ul style="list-style-type: none"> •• Good growth in direct business •• Negative contribution from own distribution companies 	<ul style="list-style-type: none"> •• Overall good growth •• Key markets performing well 	<ul style="list-style-type: none"> •• Good performance •• New markets
Prosthetics	<ul style="list-style-type: none"> •• Impact from reimbursement changes expected to continue throughout 2013 •• Declining sales to Össur's largest customer 	<ul style="list-style-type: none"> •• Growth across all major product lines and markets •• Continued growth in bionics 	<ul style="list-style-type: none"> •• Continued good growth

ACQUISITION OF TEAMOLMED

- Leading patient care provider in the consolidated Swedish market
- Long history of providing quality care
- Acquired for SEK 310m (USD 47m)
- Sales 2012 SEK 348m (USD 52m)
- EBITDA adj. 2012 SEK 43m (USD 6m)
- Transaction expected to close in Q3

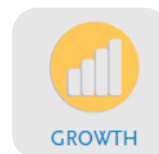
STRATEGIC RATIONALE



Drive innovation in the whole value chain



Efficiency improvements in the workshop manufacturing process



Bigger share of the value chain



FINANCIALS Q2 2013



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Financials USD '000	Q2 2013	Q2 2013* Adjusted	Q2 2012
Net Sales	105,963	105,963	102,708
Gross profit	64,615 61%	65,623 62%	63,904 62%
Profit from operations	11,918 11%	16,882 16%	16,330 16%
Net profit for the period	8,365 8%	11,939 11%	10,003 10%
EBITDA	15,301 14%	20,249 19%	19,493 19%
Net debt/EBITDA	1.4	1.3	1.4
Cash generated by operations	11,162 11%	13,841 13%	19,181 19%

- Sales 3% LCY growth
- One-time expenses USD 5 million
- Stable gross profit margin
- EBITDA adjusted 19%

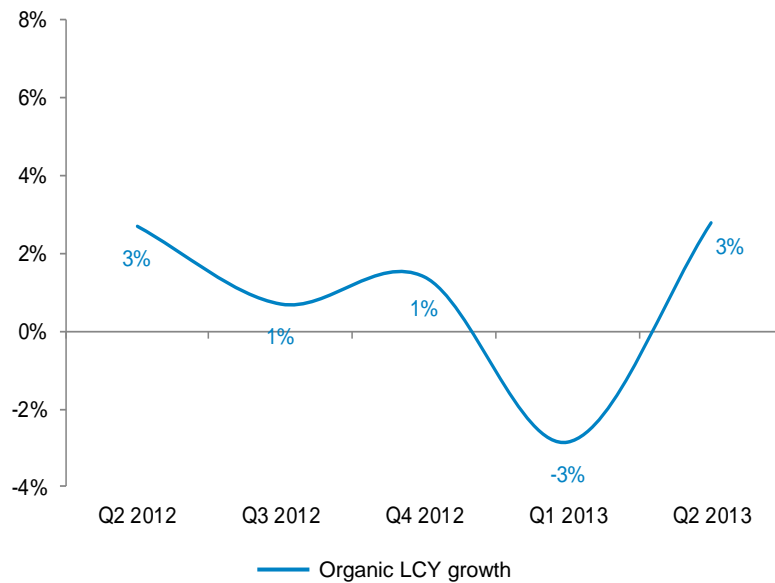
* Adjusted for one-time expenses

SALES 3% GROWTH

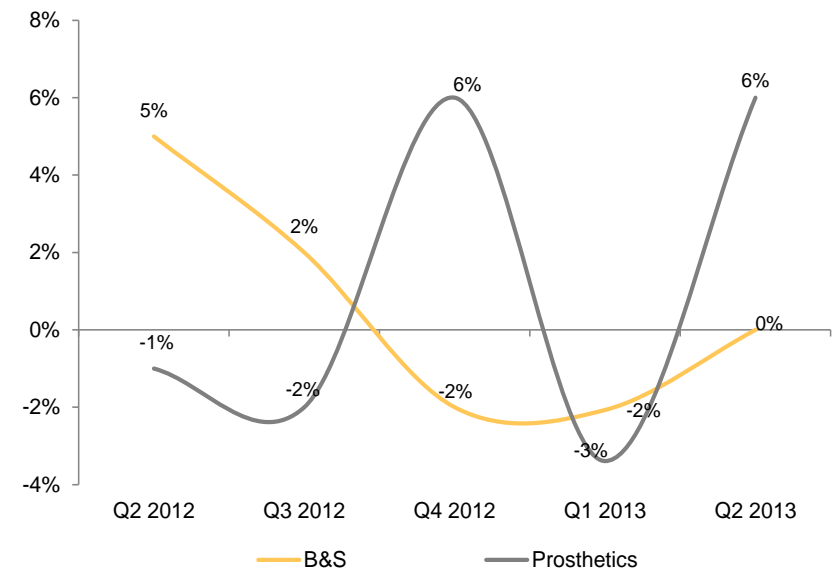


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SALES



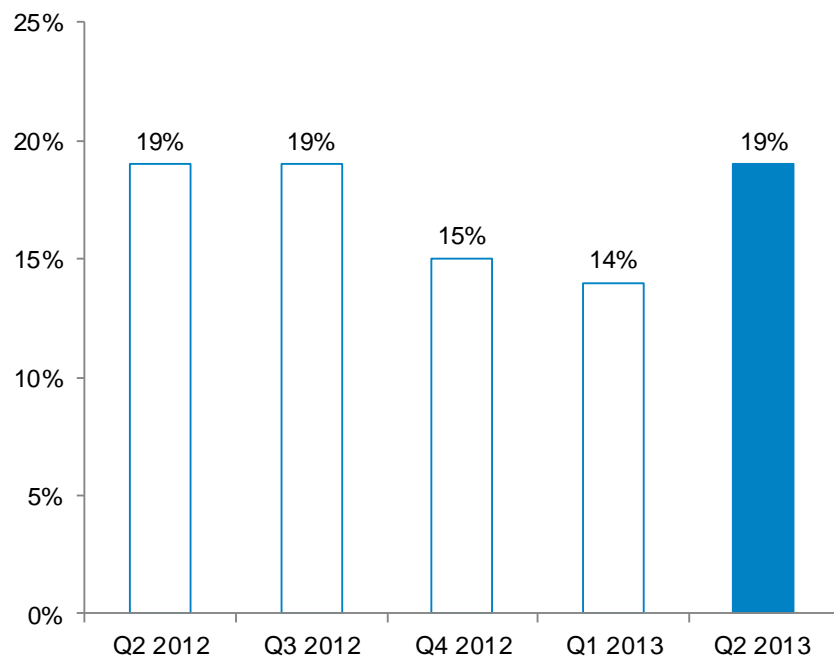
SALES BY SEGMENTS



ADJUSTED EBITDA MARGIN 19%



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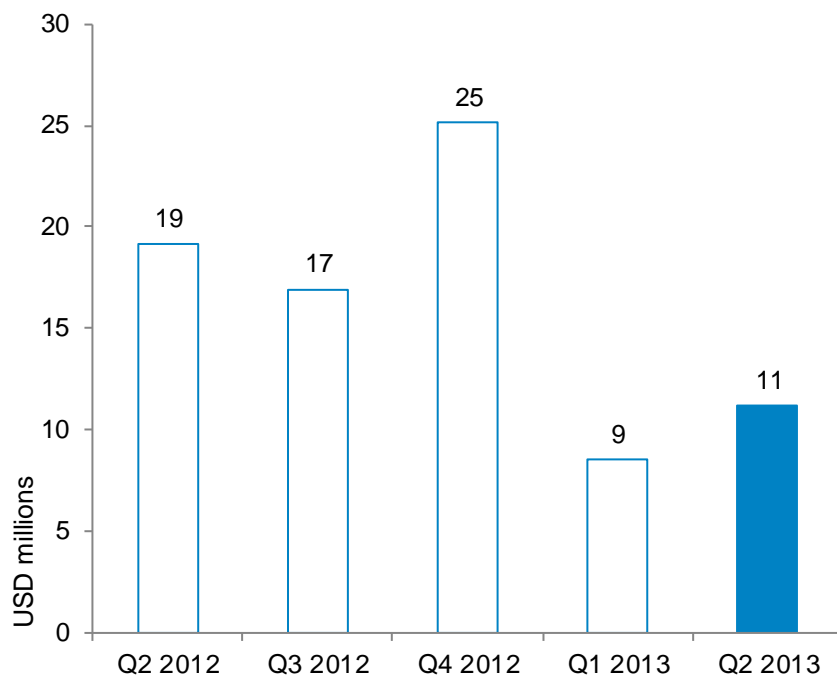


- Adjusted for one-time expenses of USD 5 million
- Stable gross profit margin
- OPEX ratio declining (46% adjusted)

CASH FLOW FROM OPERATIONS



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- Cash flow unusually weak due to:
 - Working capital increase USD 4 million
 - One-time expenses paid USD 3 million

	Q2 2013	H1 2013	Guidance 2013
Sales growth organic LCY	3%	0%	2 - 4%
EBITDA adj. margin	19%	17%	18 - 19%

Q&A



WE IMPROVE PEOPLE'S MOBILITY

