



ÖSSUR HF. Q2 2012

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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 2012 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.

AGENDA – Q2 2012



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AGENDA

Operations

Financials

Guidance and Key Message

Q&A

HIGHLIGHTS Q2 2012



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SALES USD 103 M
3% LCY growth



- Overall 3% LCY growth
- B&S 4% LCY
- Prosthetics 1% LCY

OPERATIONS
EBITDA USD 19 M



- Gross profit margin 62%
- EBITDA margin 19%

HIGHLIGHTS



- Full commercial launch of SYMBIONIC LEG

AMERICAS Q2 2012 – TURBULENT MARKET



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Americas 52% of total sales

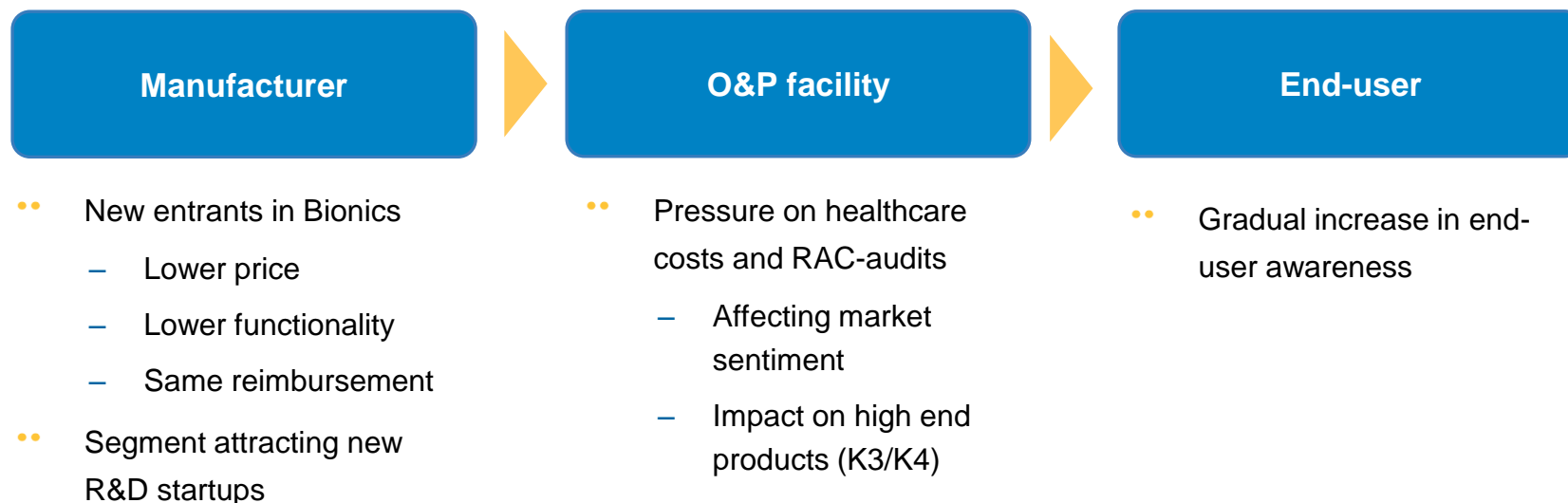
- Flat sales growth
- B&S
 - Good performance
- Prosthetics
 - Tougher reimbursement environment
 - Continued new entrants in Bionics
 - SYMBIONIC LEG successful introduction

Note: All growth numbers in local currency including investments

AMERICAS PROSTHETICS – MARKET DYNAMICS



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Key message

- The market remains attractive for Össur
- Össur will maintain strategic priorities and continue to invest in evidence based product development
- Össur will enhance sales force effectiveness and increase focus on clinical and functional outcomes

EMEA Q2 2012 – FRANCE AFFECTING PERFORMANCE



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EMEA 42% of total sales

- Sales growth 2% (4% ASPD)
- B&S
 - General slowdown in the French market
 - Strong growth in other major markets
- Prosthetics
 - Solid growth in major markets
- Compression therapy 8% growth
 - Consistent positive performance



Note:

All growth numbers in local currency including acquired and divested entities

ASPD = Average sales per day

ASIA Q2 2012 – EXCELLENT GROWTH



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Asia 6% of total sales

- Sales growth 32%
- Strong quarter in Japan
- Good start for Össur Korea
- Good operations and strong profitability



Note: All growth numbers in local currency

SYMBIONIC LEG – AVAILABLE IN ALL MAJOR MARKETS



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WORLD'S FIRST COMPLETE BIONIC LEG



Feedback from users:

- Less mental fatigue
- Feels like a natural leg
- Less back pain
- Higher activity level



SYMBIONIC LEG featured in Popular Mechanics May 2012



FINANCIALS Q2 2012

Hjörleifur Pálsson
CFO



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SALES

- Slow organic growth
- Good growth in B&S
- Prosthetics flat

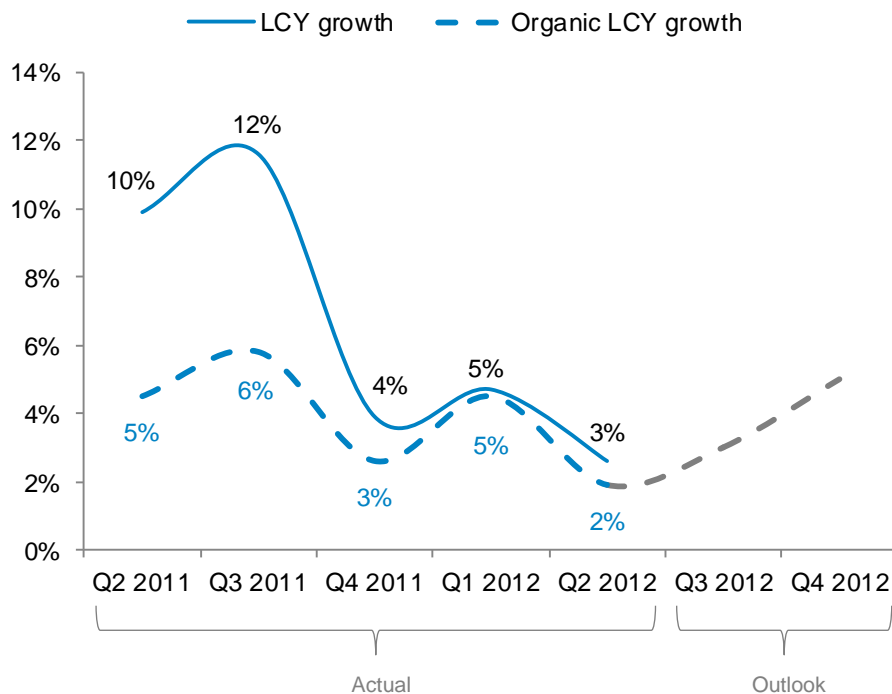
EBITDA

- Gross profit margin stable / Mexico on track
- OPEX ratio stable
- EBITDA margin below plan

SALES – SLOW ORGANIC GROWTH IN Q2



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•• B&S

- 5% organic LCY growth
- Delayed impact from France initiative
- Good organic growth in other markets

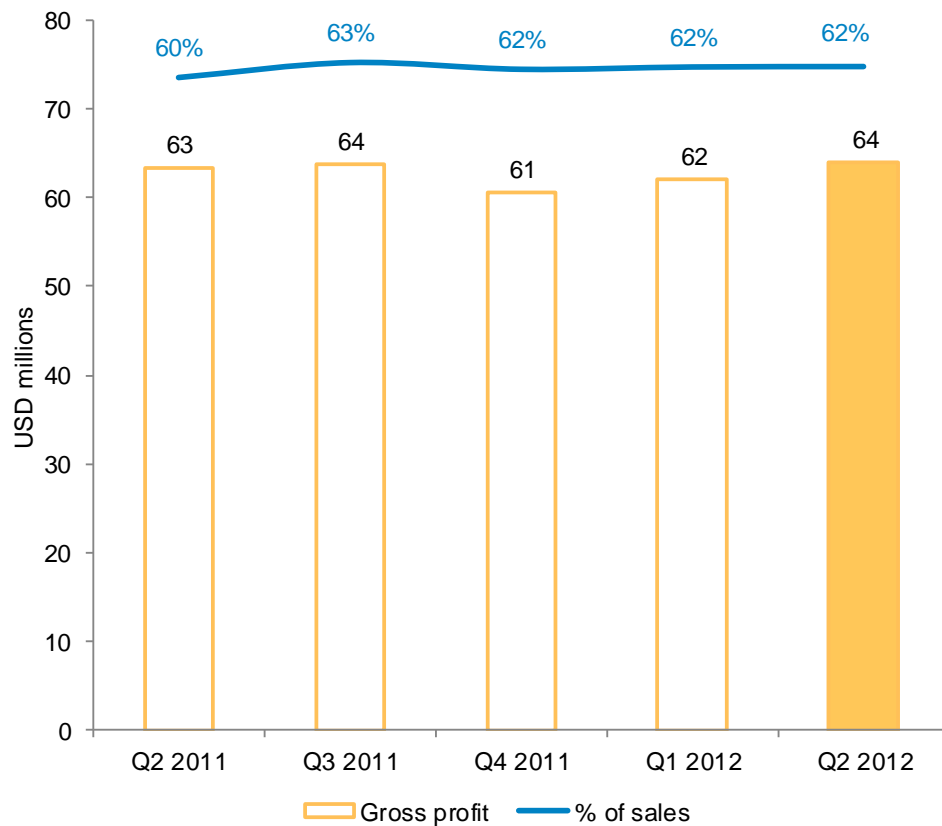
•• Prosthetics

- 1% organic LCY decline
- Decline in Americas

GROSS PROFIT – CONSISTENT



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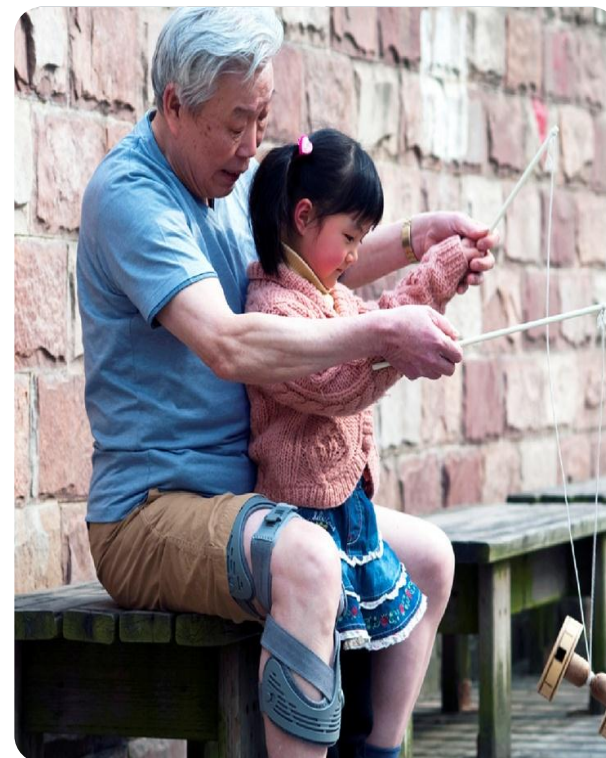
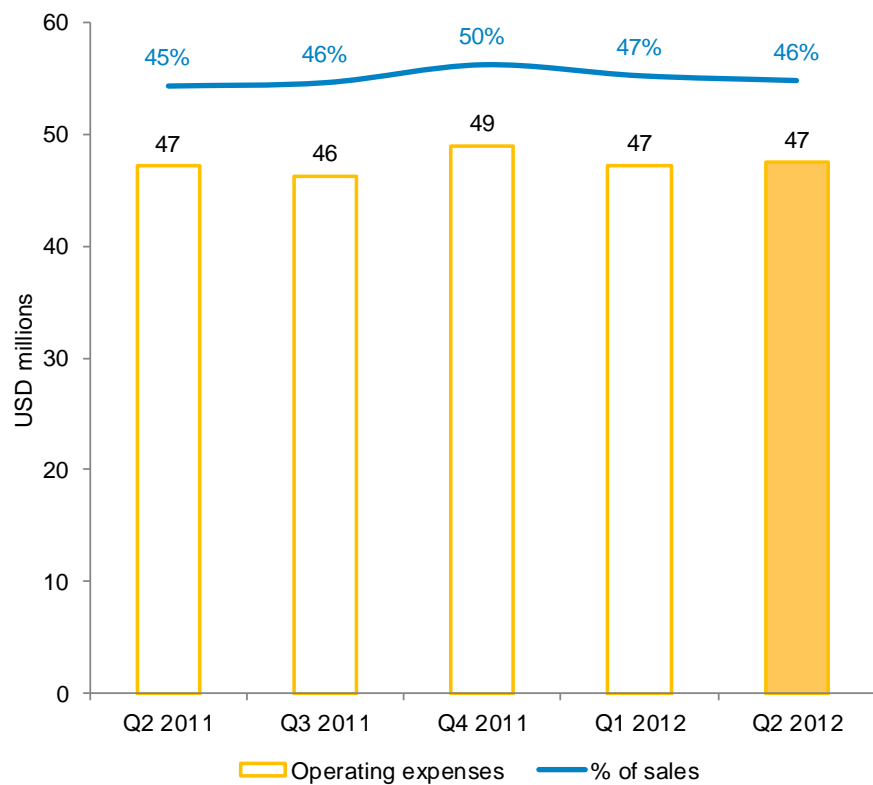


- Positive contribution from Mexico
- Growth of B&S segment affecting gross profit margin

OPERATING EXPENSES – STABLE RATIO



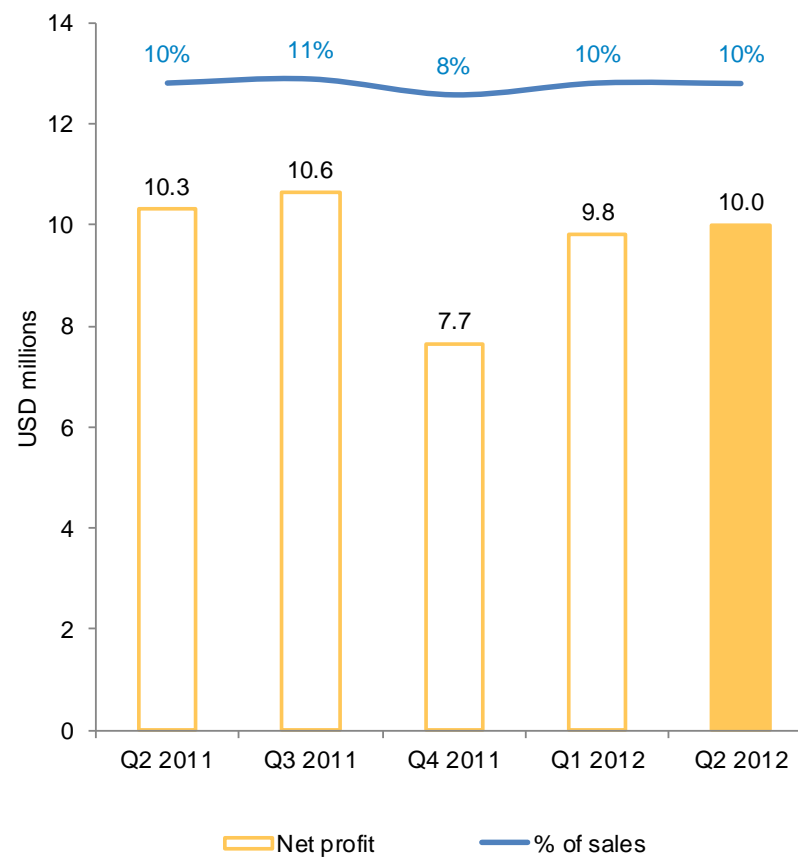
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NET PROFIT 10% OF SALES



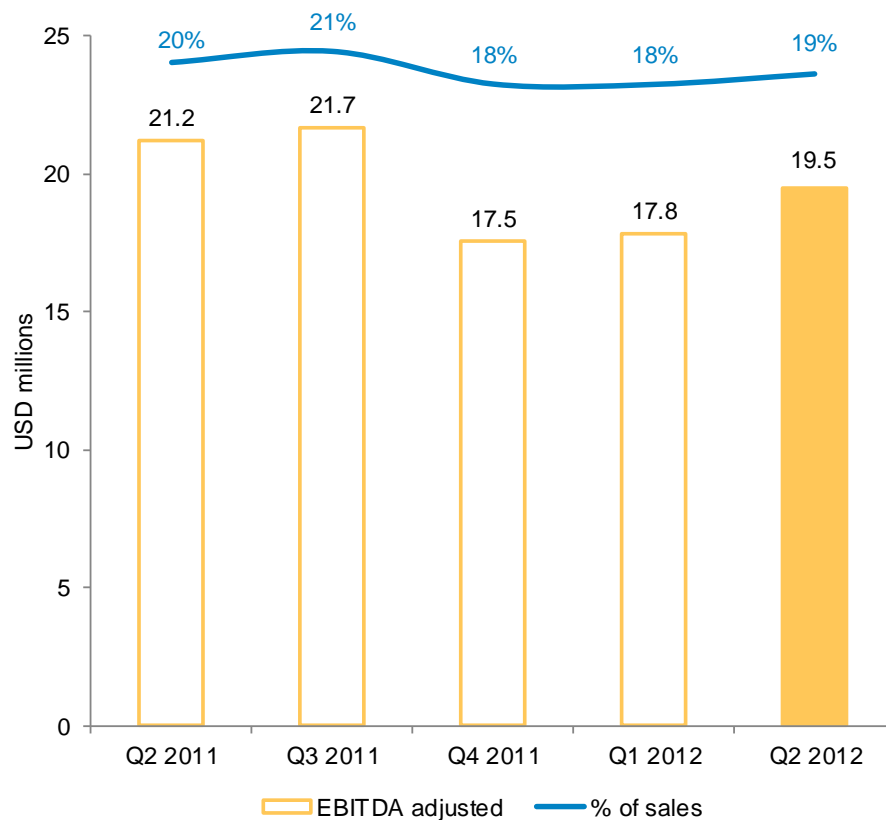
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EBITDA 19%



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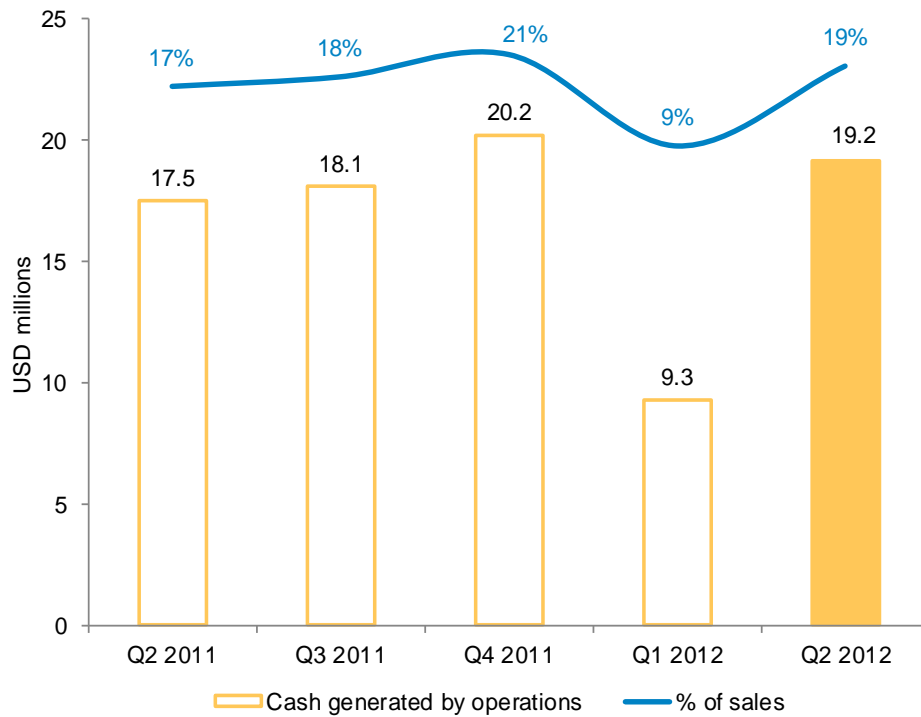
- Affected by slow sales in prosthetics
- Positive contribution from Mexico
- Investment in sales initiative in France

CASH FLOW – STRONG



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CASH GENERATED BY OPERATIONS





- Slow down of Prosthetic sales in Americas affecting organic growth
- Solid operations and cash flow going forward



GUIDANCE & KEY MESSAGE

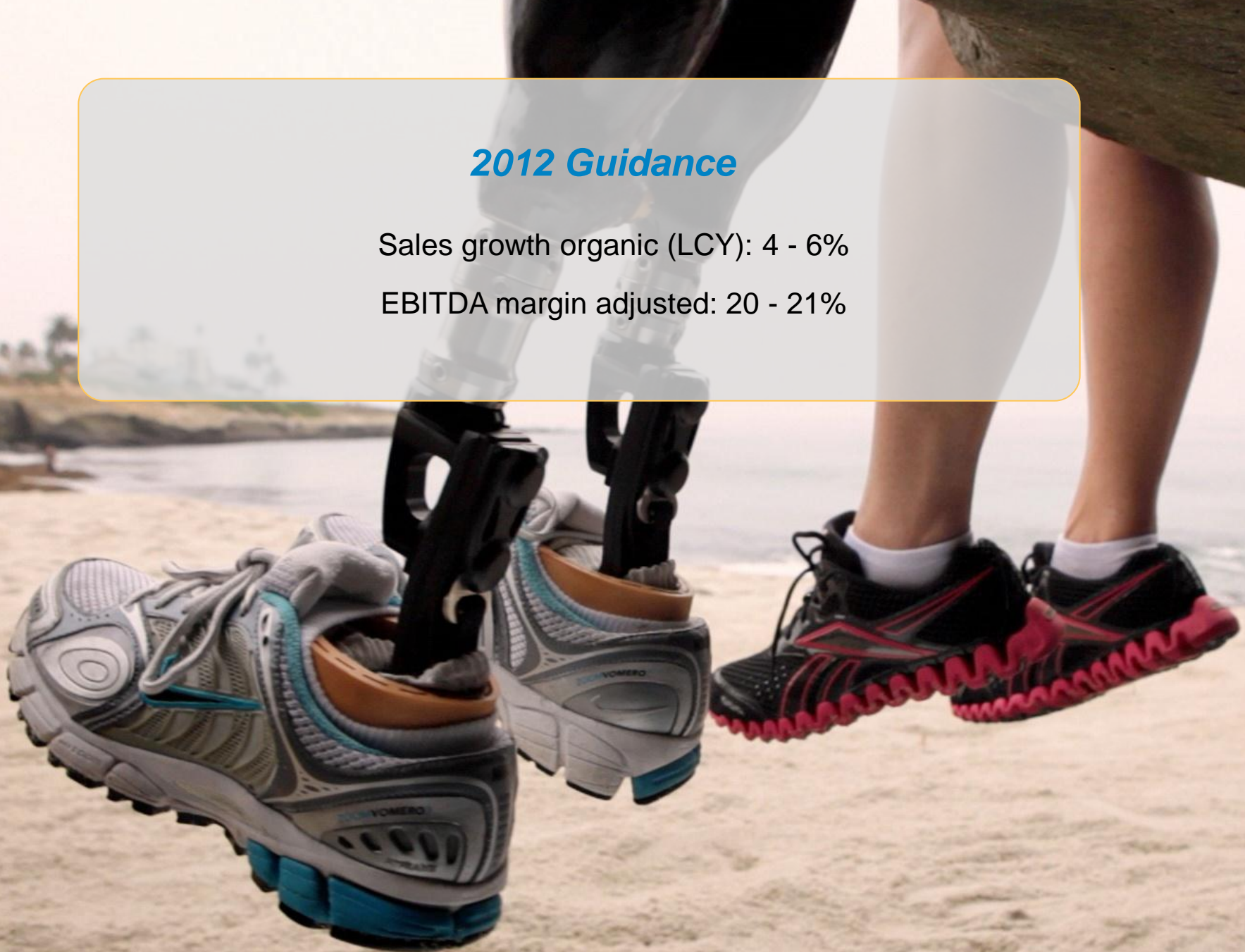


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2012 Guidance

Sales growth organic (LCY): 4 - 6%

EBITDA margin adjusted: 20 - 21%



KEY MESSAGE



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- Market environment generally positive
- Overall moderate growth
- Good profit and cash flow
- Technology pioneer



Q&A



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