



Life Without Limitations



OSSUR INVESTOR MEETING Q2 2009



Life Without Limitations



Q2 2009

JON SIGURDSSON – PRESIDENT & CEO

HIGHLIGHTS FOR THE QUARTER



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1

Stable Sales

- Slowdown of economy
 - Third party suppliers discontinued
 - Promising Bionic upgrades coming up
 - New structure of US sales channel in bracing and supports
-

2

Profitability Maintained

- EBITDA 21%, remains stable
-

3

Strong Bionic Product Pipeline

- Reimbursement of PROPRIO FOOT accepted in the US
 - PROPRIO FOOT, scale up in manufacturing and full launch in the second half of the year
 - RHEO KNEE II, pre-launched, full market release in the second half of the year
-

Four new products launched in Q2



Unloader One® Short



Sensil liners on Unloader



Vari-Flex EVO



Iceross Cushion & Sleeve

- *A new version of the Bionic knee RHEO KNEE II, pre-launched*
- *PROPRIO foot accepted into the US reimbursement channel*

→ *Important milestones for the future of the Bionic platform*



●● Americas

- Slowdown of economy
 - Region specific
 - Trend towards low-price products
- Strong sales leadership in place
- 12 new sales reps in B&S
- Further GPO opportunities

●● EMEA

- Slowdown of economy
 - UK private pay
 - France and Spain
 - Other markets less affected
- Third party suppliers, contracts discontinued

●● Asia

- Slowdown of economy
 - Korea, significant effect
 - Australia, China and Japan on track

DEVELOPMENT IN SEGMENTS AND GEOGRAPHY



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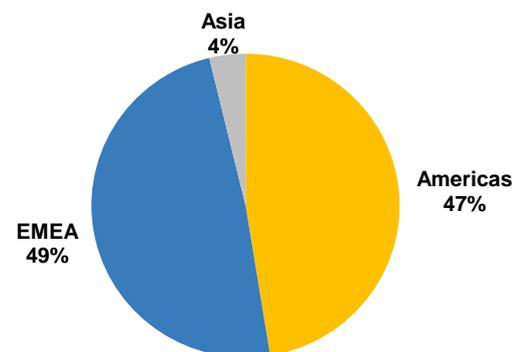
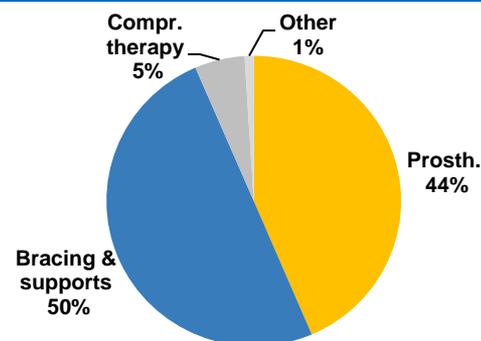
SEGMENTS

Local currency	Q2	YTD
Prosthetics	2%	3%
Bracing and supports	-6%	-7%
Compression therapy	-12%	-10%
Total	-3%	-3%
Avg. sales growth pr day	-1%	-2%

GEOGRAPHY

Local currency	Q2	YTD
Americas	1%	-3%
EMEA	-7%	-4%
Asia	2%	6%
Total	-3%	-3%
Avg. sales growth pr day	-1%	-2%

YTD 2009





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FINANCIALS: Q2 2009

HJORLEIFUR PALSSON - CFO

FINANCIAL HIGHLIGHTS Q2 2009



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- Solid operations
- Strong balance sheet
- Secured financing

INCOME STATEMENTS Q2 2009



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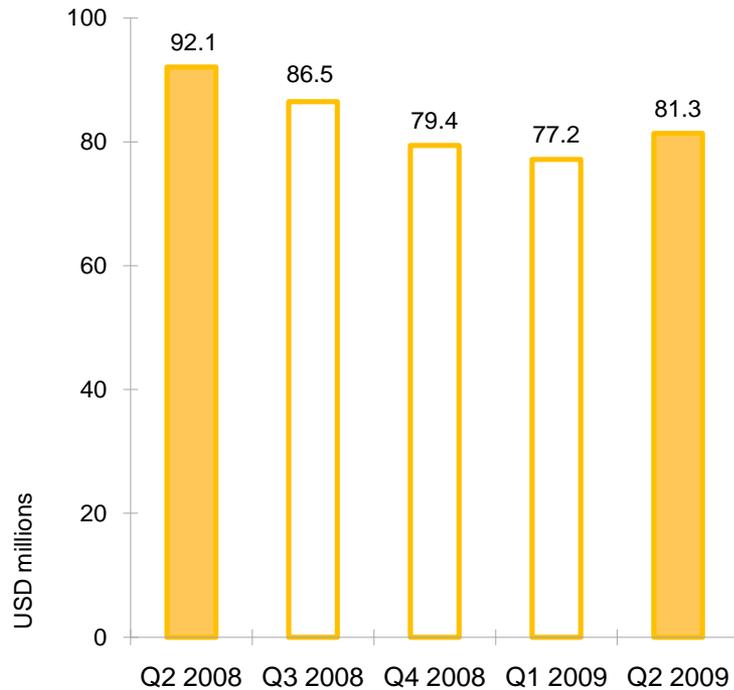
Income Statements (USD '000)	Q2 2009	% of sales	Q2 2008	% of sales	Change
Net sales	81,345	100.0%	92,055	100.0%	-11.6%
Cost of goods sold	(31,284)	-38.5%	(35,656)	-38.7%	-12.3%
Gross profit	50,061	61.5%	56,399	61.3%	-11.2%
Other income	120	0.1%	1,264	1.4%	-90.5%
Sales & marketing expenses	(23,105)	-28.4%	(25,540)	-27.7%	-9.5%
Research & development expenses	(4,813)	-5.9%	(5,379)	-5.8%	-10.5%
General & administrative expenses	(10,490)	-12.9%	(14,000)	-15.2%	-25.1%
Profit from operations	11,774	14.5%	12,744	13.8%	-7.6%
Financial income	70	0.1%	105	0.1%	-33.3%
Financial expenses	(7,416)	-9.1%	(5,200)	-5.6%	42.6%
Profit before tax	4,428	5.4%	7,649	8.3%	-42.1%
Income tax	(927)	-1.1%	(3,705)	-4.0%	-75.0%
Net profit for the period	3,501	4.3%	3,944	4.3%	-11.2%
EBITDA	16,961	20.9%	19,038	20.7%	-10.9%
EBITDA adjusted*	17,930	22.0%	19,238	20.7%	-6.8%

*Adjusted for one-time income and expenses

SALES – MATERIAL CURRENCY IMPACT



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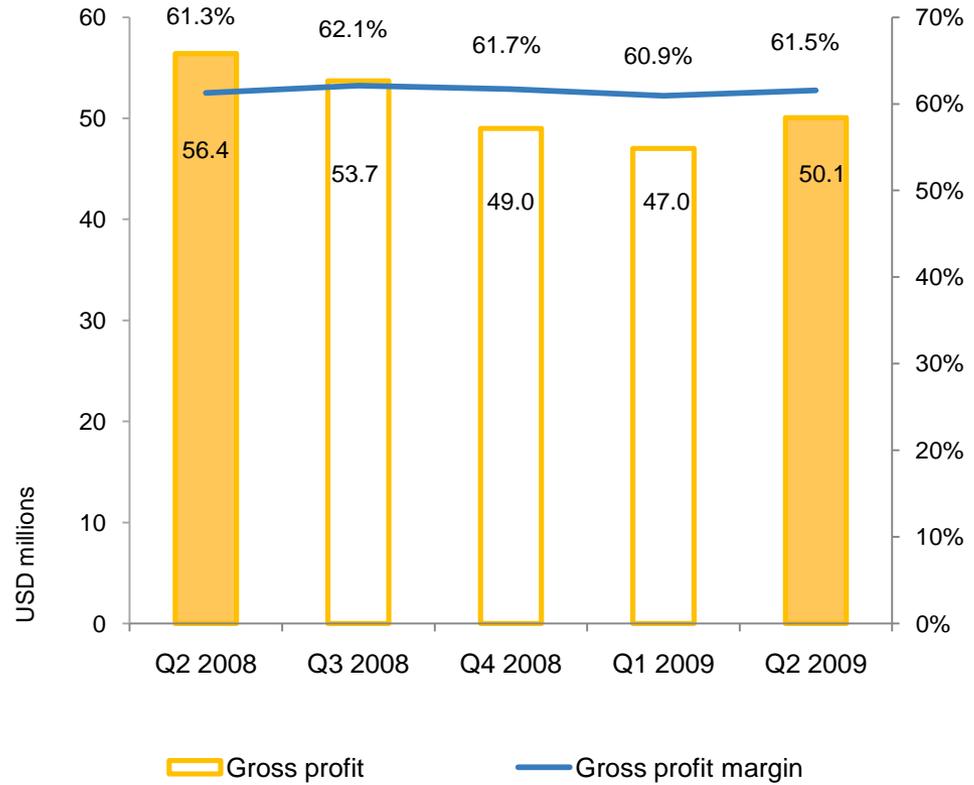


- -7.7 million – Currency
- -2.3 million – Sales days
- -0.7 million – Decline

GROSS PROFIT – STABLE MARGINS



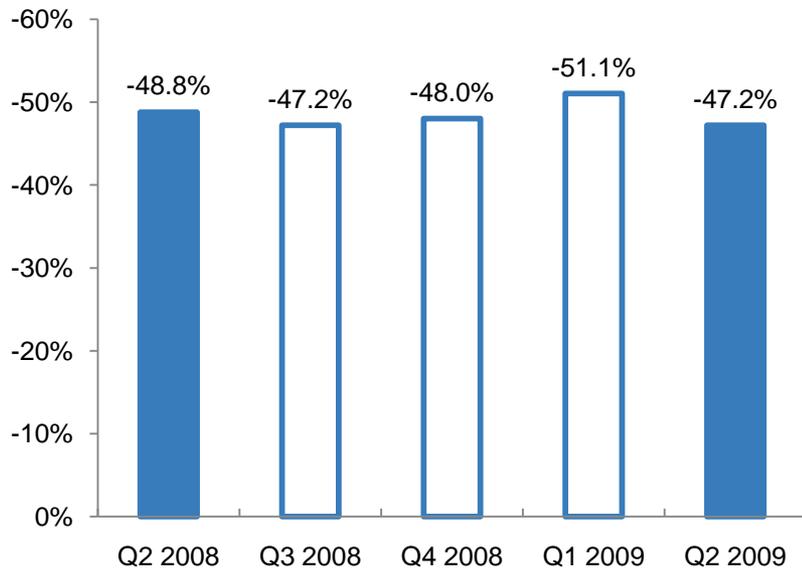
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OPERATING EXPENSES – SAME COST STRUCTURE



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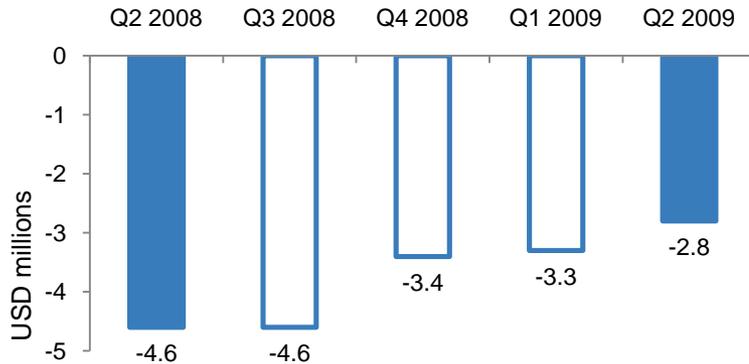
- Operating expense ratio improves slightly: 47.2% vs. 48.8%
- Adjusted for currency effects and severance the ratio remains the same
- R&D slightly up – G&A slightly down
- Profit from operations as ratio to sales 14.5%

FINANCIAL EXPENSES – CURRENCY SWING

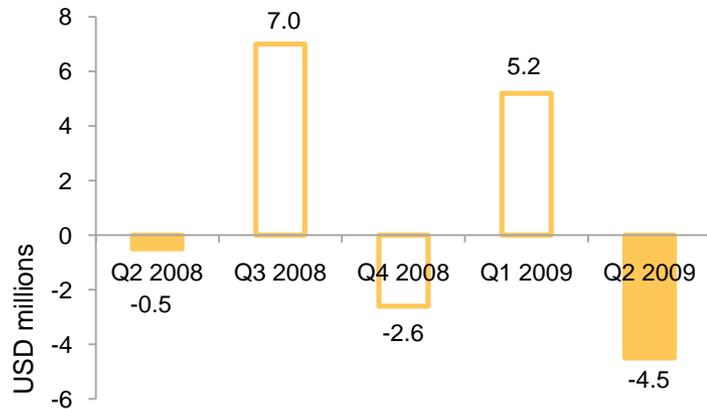


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NET INTEREST EXPENSE



EXCHANGE RATE DIFFERENCES

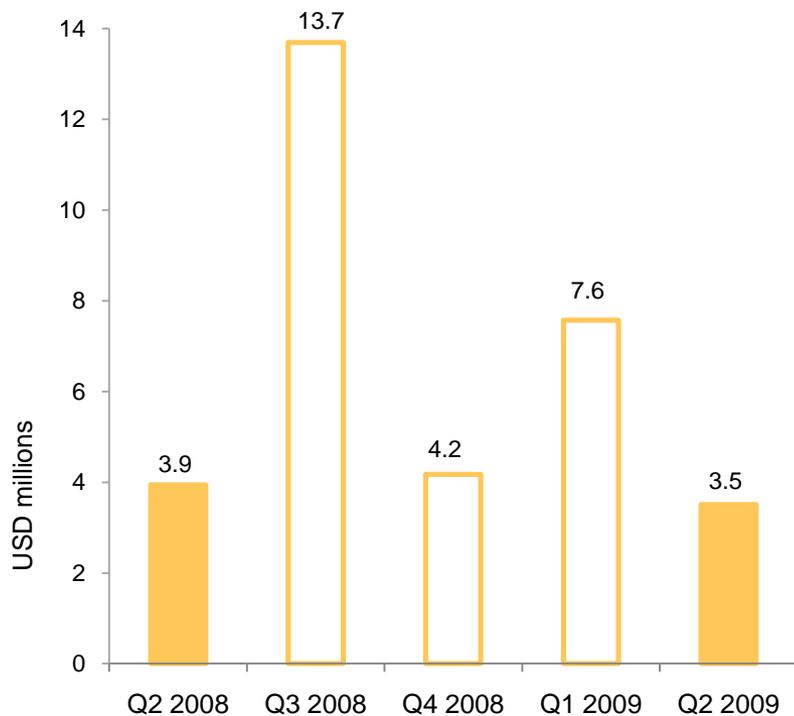


- Interest expenses down USD 1.8 million
- Exchange rate losses up USD 4.0 million
- Net increase in financial expenses USD 2.2 million

NET PROFIT – OSSUR IS PROFITABLE



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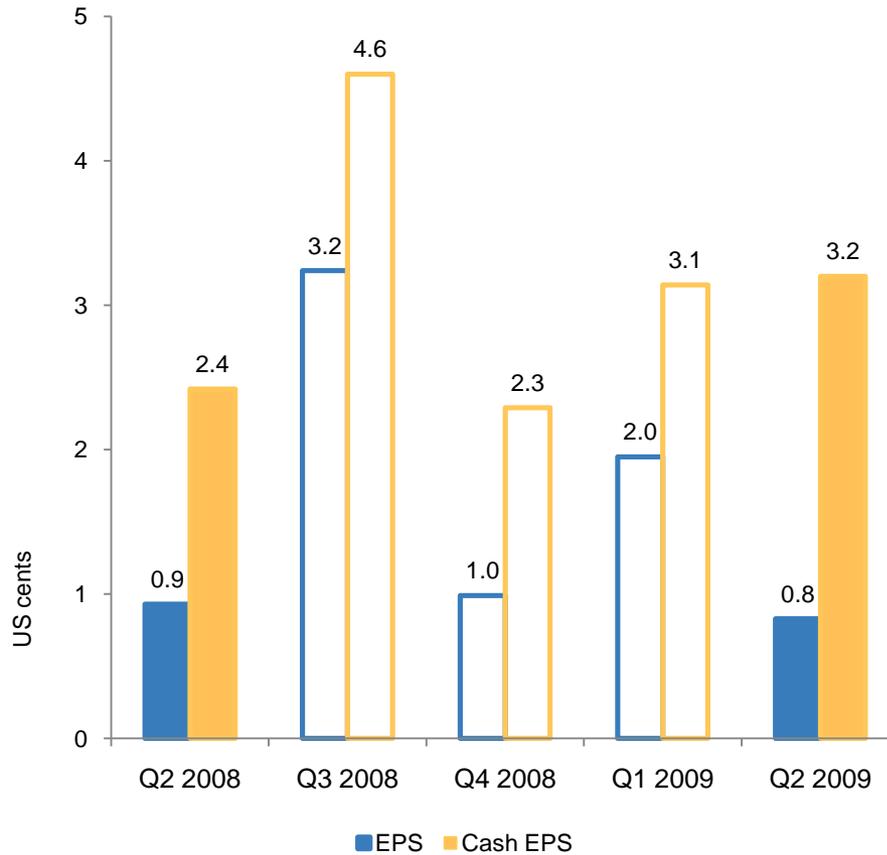


- Similar Gross profit margin
- Same cost structure
- Long term debt currency swings
- Net profit 4.3% of sales
- EBITDA 20.9%

CASH EARNINGS PER SHARE - INCREASES



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CASH FLOW – REMAINS STRONG



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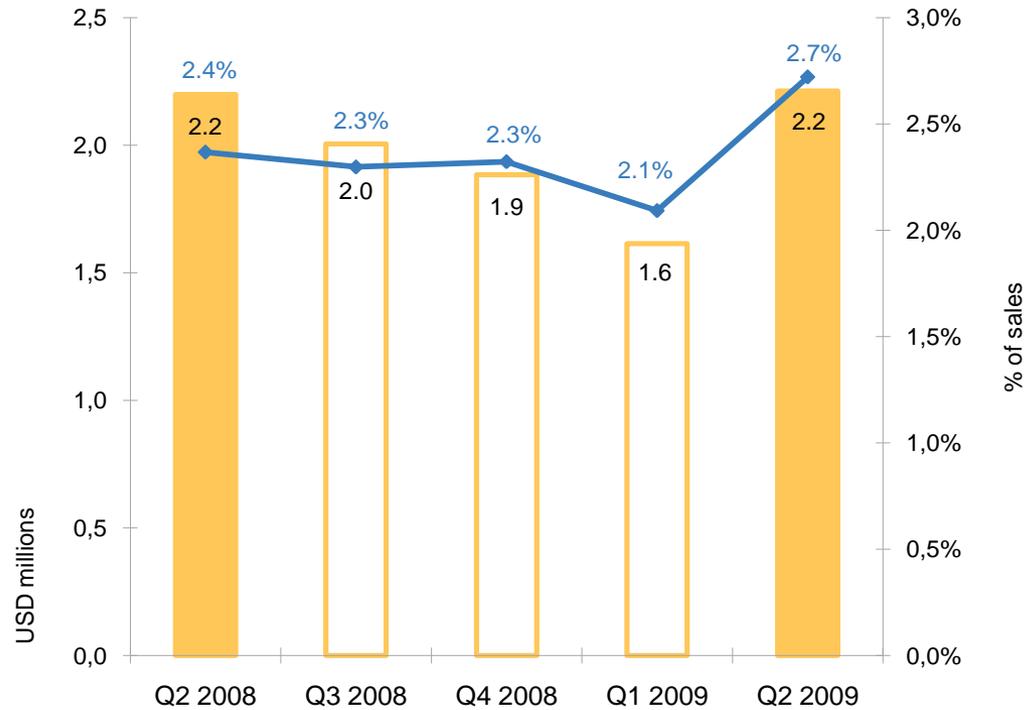
- Net cash provided from operating activities USD 17.7 million
- Net increase in cash USD 8.6 million
- Cash at hand USD 35.7 million



CAPEX – WITHIN BENCHMARK



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BALANCE SHEETS 30 JUNE 2009



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USD '000	30 June 2009	31 Dec 2008
Non current assets	457,563	458,046
Current assets	141,316	145,732
Total assets	598,879	603,778
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Stockholders' equity	264,727	249,648
Non current liabilities	258,820	223,242
Current liabilities	75,332	130,888
Total equity and liabilities	598,879	603,778
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Current ratio	1.9	1.1
Equity ratio	44%	41%
Net Debt / EBITDA	3.2	2.9

- Cash at hand USD 35.7 million
- No working capital issues
- Long term financing in place at favorable terms
- No covenant issues

FINANCIAL HIGHLIGHTS Q2 2009



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- Solid operations
- Strong balance sheet
- Secured financing

FULL YEAR 2009

Sales USD 310-320 million

EBITDA USD 58-62 million

EBITDA margin 18% -19%

Jon Sigurdsson, President & CEO, comments:

“Slowdown of the economy in the Company’s major markets has affected sales, as customers are cautious due to uncertainty. Discontinuation of third party agreements in EMEA has a temporary negative effect on sales but not on profitability. Strong leadership and clear strategy in sales and marketing in the US give comfort towards positive developments. A new version of the bionic knee Rheo as well as the acceptance of the Proprio foot into the US reimbursement channel are important milestones for the future of the bionic platform.”

HIGHLIGHTS FOR THE QUARTER



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