



Life Without Limitations



ÖSSUR INVESTOR MEETING Q3 2009

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 2009 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.



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JÓN SIGURÐSSON – PRESIDENT & CEO

HIGHLIGHTS FOR THE QUARTER



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1

Sales – Tides turning

- Bionic success – strong growth in prosthetics
- Americas – sales structure and leadership in place
- Second GPO contract this year

2

Profitable

- One of our best quarters

3

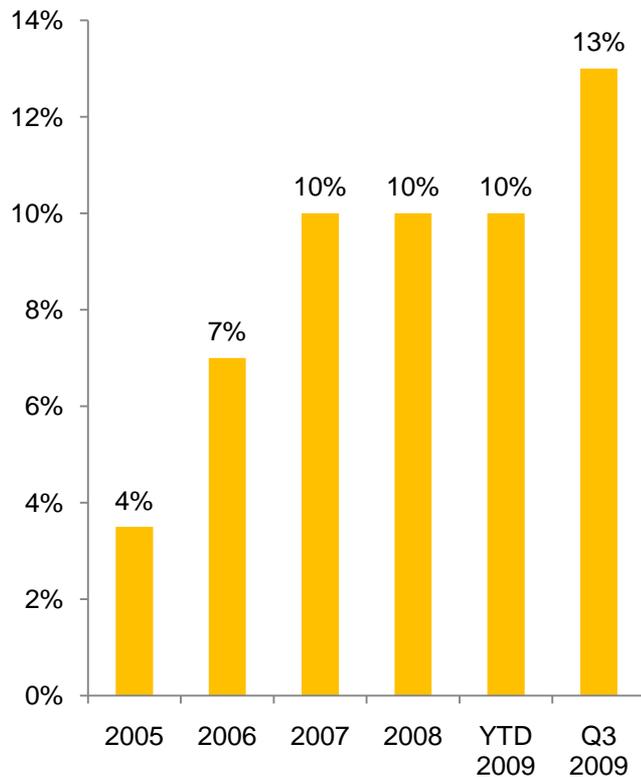
Listing on NASDAQ OMX Copenhagen

- Creating a trading platform
- Modest equity offering being considered

BIONICS – SECOND GENERATION SUCCESSFUL



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Bionic sales as a percentage of prosthetics sales
(Proprio Foot, RHEO Knee, Power Knee)

•• Second generation of RHEO KNEE launched



- The RHEO KNEE uses artificial intelligence to adapt to the user's walking style and environment. It restores the user's ability to walk at any speed over any obstacles, comfortably and confidently.
- The redesigned RHEO KNEE features a host of upgrades, including improved aesthetics, a higher weight limit, increased torque and faster swing speed.



- Structure and leadership in place
- More feet on the street
 - 13 new sales reps
 - 9 new independent sales groups
- Second GPO contract
 - Access to large hospitals
- Robust B&S product pipeline in 2010
- Health-care reforms – neutral to positive?



EMEA

- Strong prosthetics sales
- Third party B&S suppliers exchanged for own products
 - Temporary negative affect on sales
 - Positive to profits
- Effects of slow economy limited to UK
- Opportunities in untapped markets

ASIA

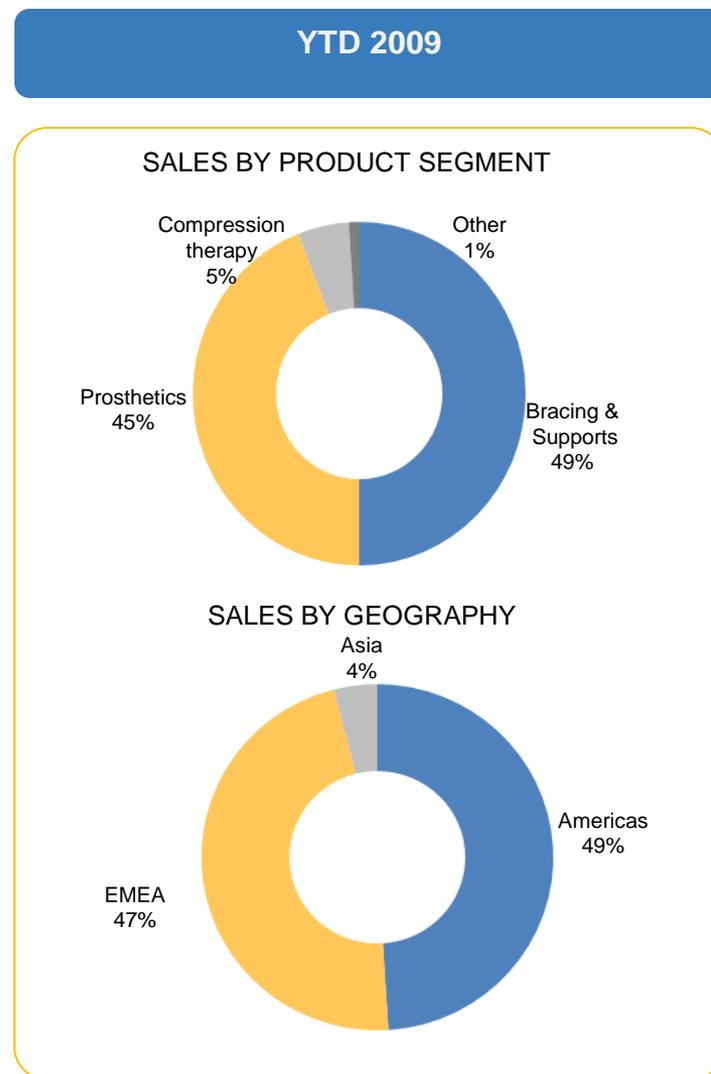
- Strong growth in all major markets
- Sales increased by 31%
- Promising future prospects

DEVELOPMENT IN SEGMENTS AND GEOGRAPHY



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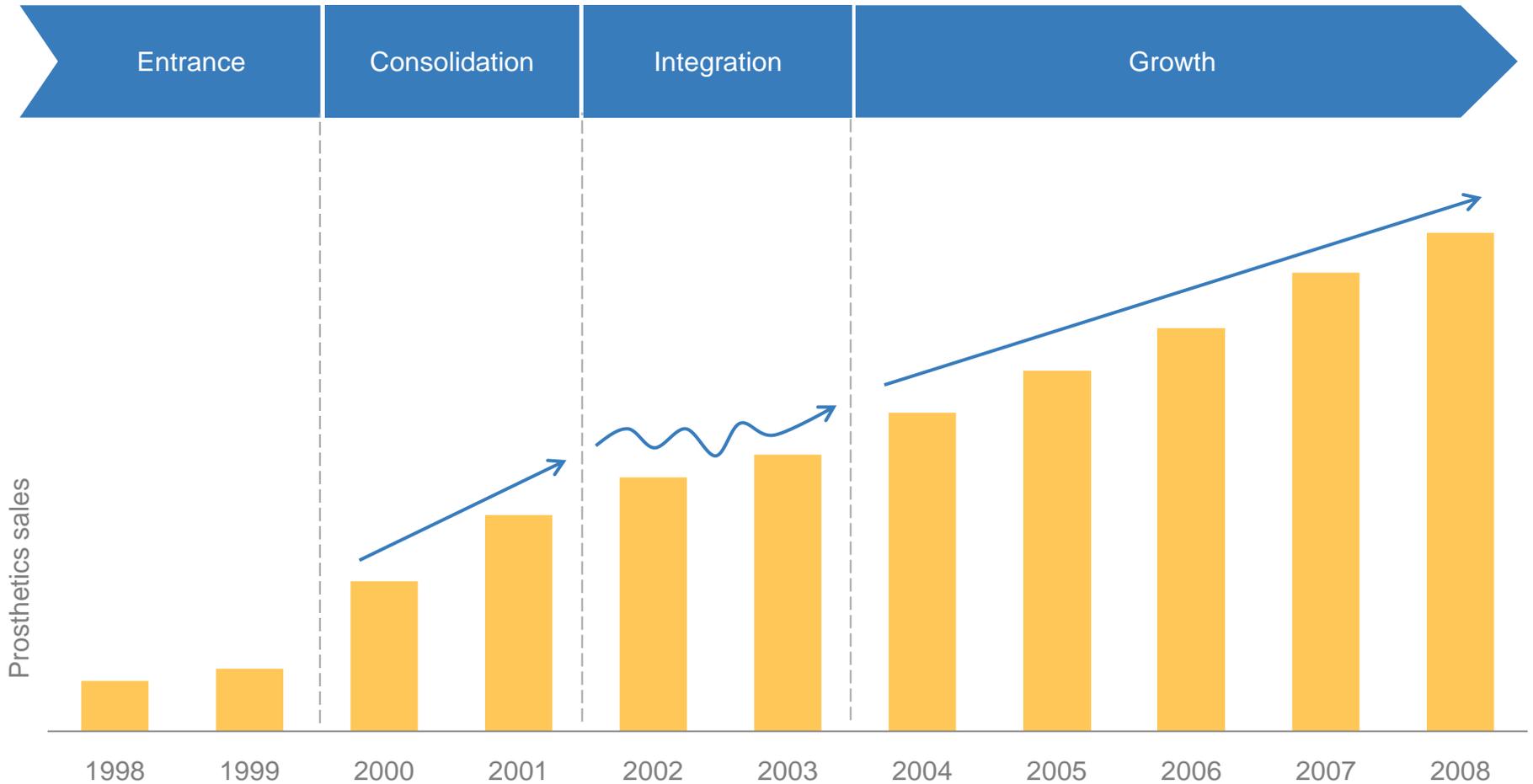
Local currency		Q3
SEGMENTS		
Prosthetics		11%
Bracing and supports		-6%
Compression therapy		1%
Total		1%
Avg. sales growth pr day		0%
GEOGRAPHY		
Local currency		Q3
Americas		0%
EMEA		1%
Asia		31%
Total		1%
Avg. sales growth pr day		0%



PROSTHETICS – STEADY GROWTH



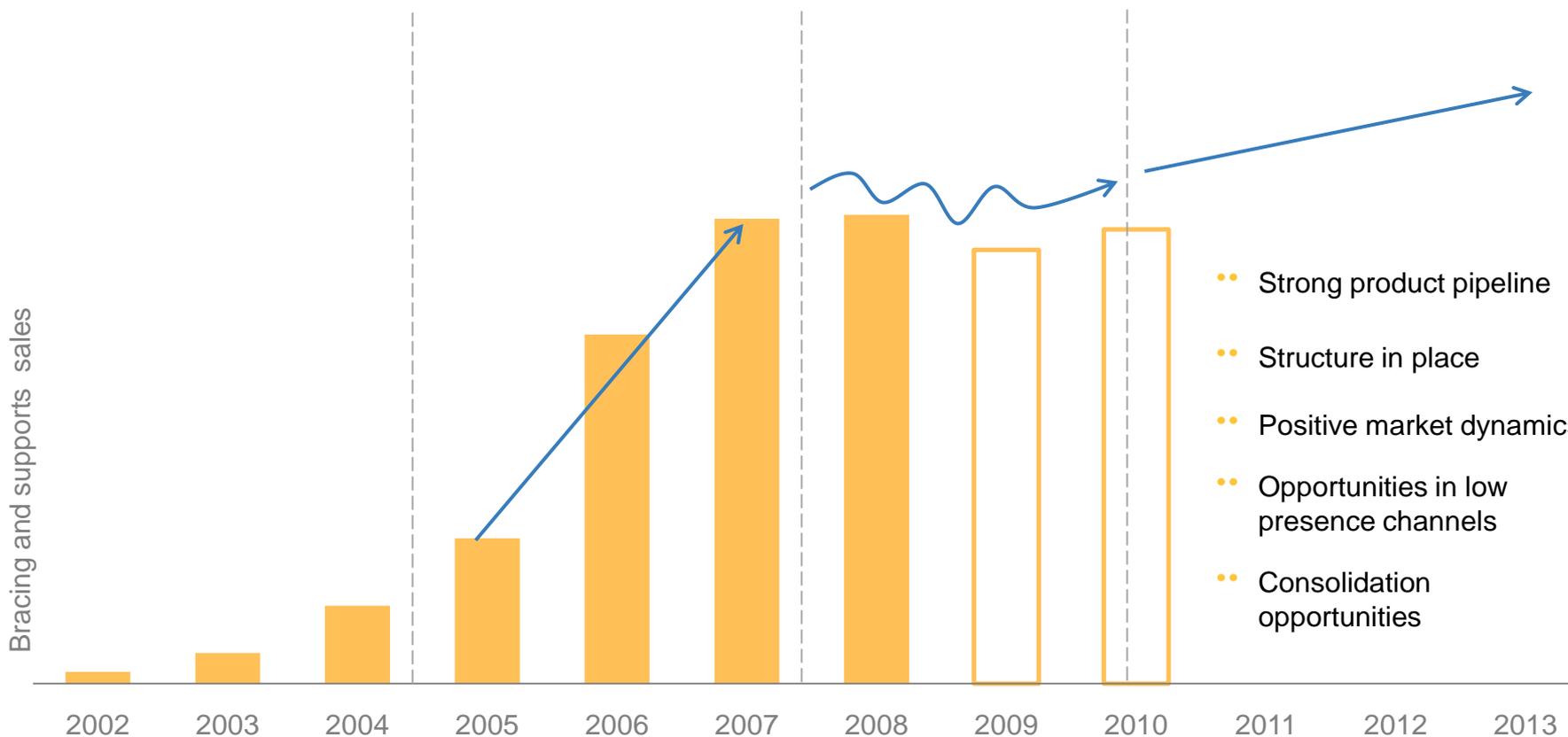
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BRACING AND SUPPORTS – GROWTH GOING FORWARD



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HIGHLIGHTS FOR THE QUARTER



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1

Sales – Tides turning

2

Profitable operations

3

Extensive opportunities going forward



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HJÖRLEIFUR PÁLSSON - CFO

FINANCIAL HIGHLIGHTS Q3 2009



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- Sales – tides turning
- Profitable operations
- Strong cash flow
- Healthy balance sheet

INCOME STATEMENTS Q3 2009



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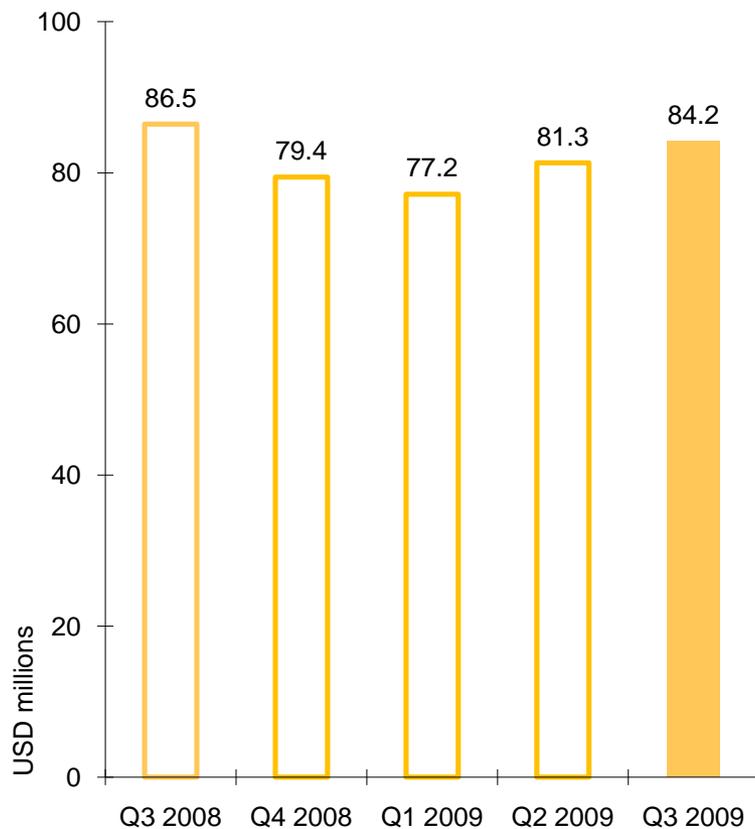
Income Statements (USD '000)	Q3 2009	% of sales	Q3 2008	% of sales	Change
Net sales	84,184	100.0%	86,470	100.0%	-2.6%
Cost of goods sold	(32,463)	-38.6%	(32,761)	-37.9%	-0.9%
Gross profit	51,721	61.4%	53,709	62.1%	-3.7%
Other income	18	0.0%	2,479	2.9%	-99.3%
Sales & marketing expenses	(21,948)	-26.1%	(24,003)	-27.8%	-8.6%
Research & development expenses	(4,170)	-5.0%	(5,100)	-5.9%	-18.2%
General & administrative expenses	(10,725)	-12.7%	(11,727)	-13.6%	-8.5%
Profit from operations	14,897	17.7%	15,358	17.8%	-3.0%
Financial income	45	0.1%	27	0.0%	66.7%
Financial expenses	(2,805)	-3.3%	(4,679)	-5.4%	-40.1%
Net exchange rate difference	(4,196)	-5.0%	7,034	8.1%	-159.7%
Profit before tax	7,941	9.4%	17,740	20.5%	-55.2%
Income tax	(1,938)	-2.3%	(4,051)	-4.7%	-52.2%
Net profit for the period	6,003	7.1%	13,689	15.8%	-56.1%
EBITDA	19,355	23.0%	21,128	24.4%	-8.4%
EBITDA adjusted*	19,355	23.0%	19,112	22.1%	1.3%

*Adjusted for one-time income in Q3 2008; USD 2.3 million due to the divestment of advanced wound care product line

SALES – TIDES ARE TURNING



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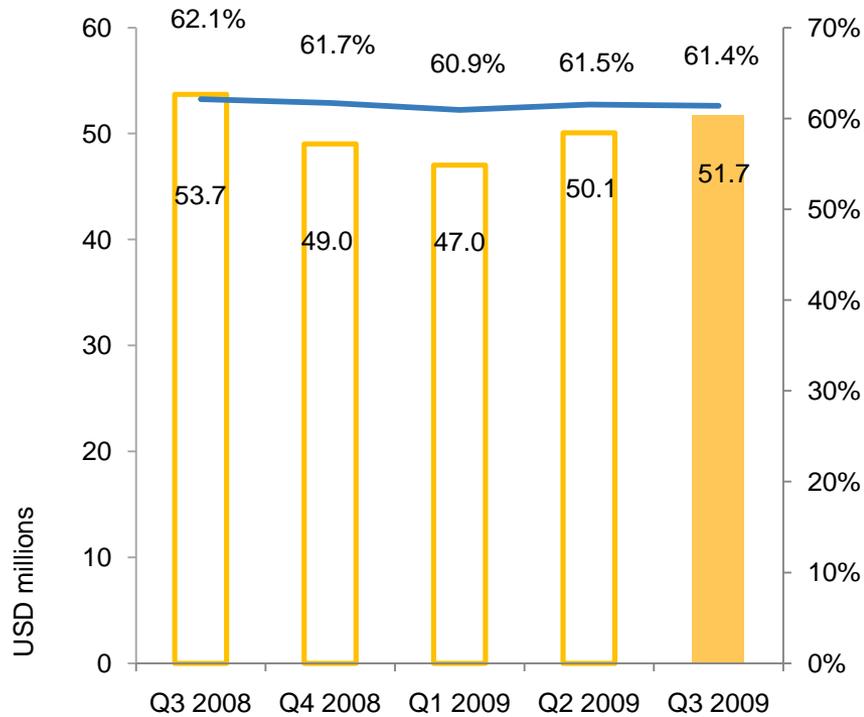


- Flat growth in a tough global environment
- Prosthetics returning to strong growth
- B&S still declining - recent initiatives will drive future growth
- Compression therapy - from decline to growth

GROSS PROFIT – STABLE MARGINS



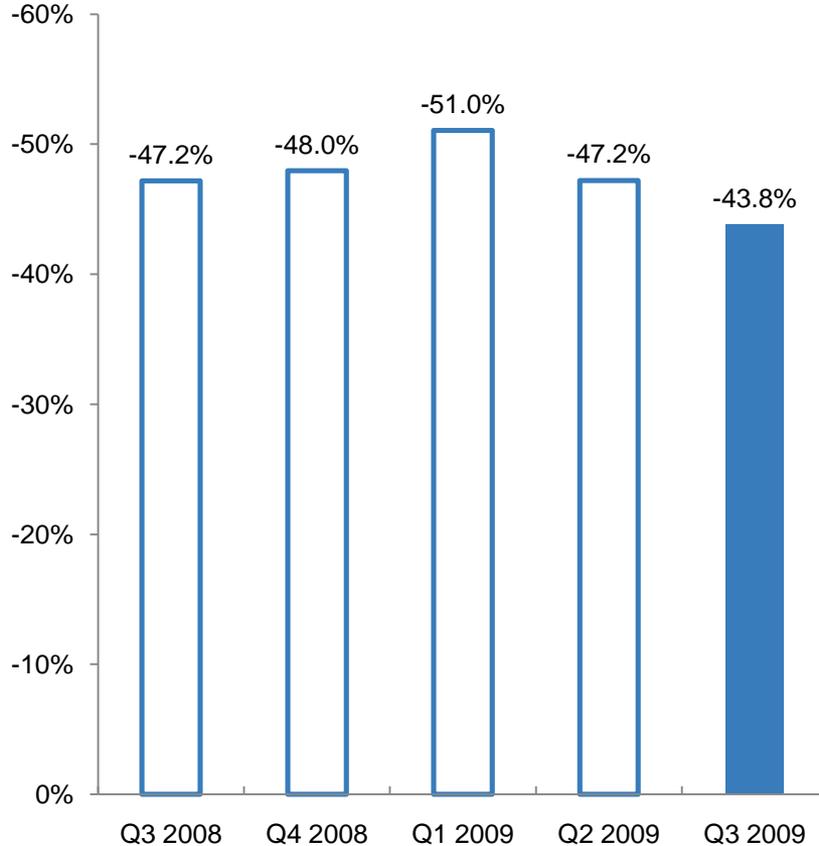
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OPERATING EXPENSES – DECLINING



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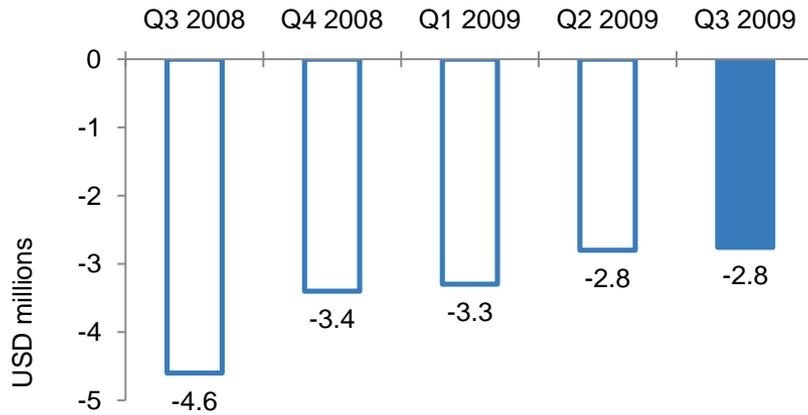
- S&M – more efficient structure in Americas
- R&D – marginal decline in investment
- G&A – gradual improvement continues
- Profit from operations 17.7%
- Potential for economics of scale going forward

FINANCIAL EXPENSES - SIGNIFICANT CURRENCY IMPACT



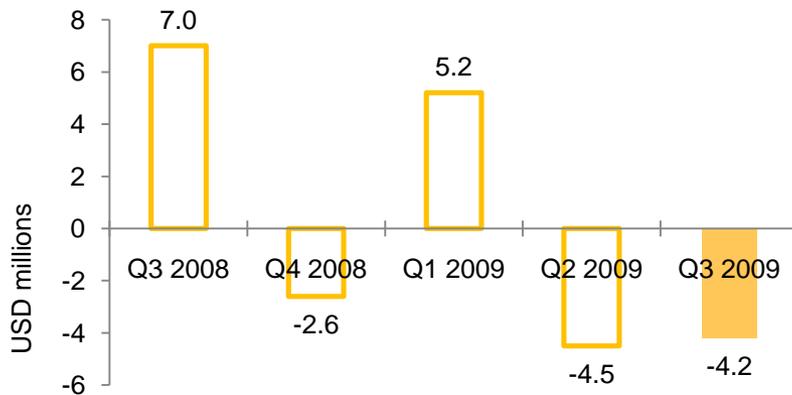
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NET INTEREST EXPENSES



- Profits driving down leverage and interest expense
- Natural hedging policy – currency impacts
- Currency swing Q3 USD 11.2 million

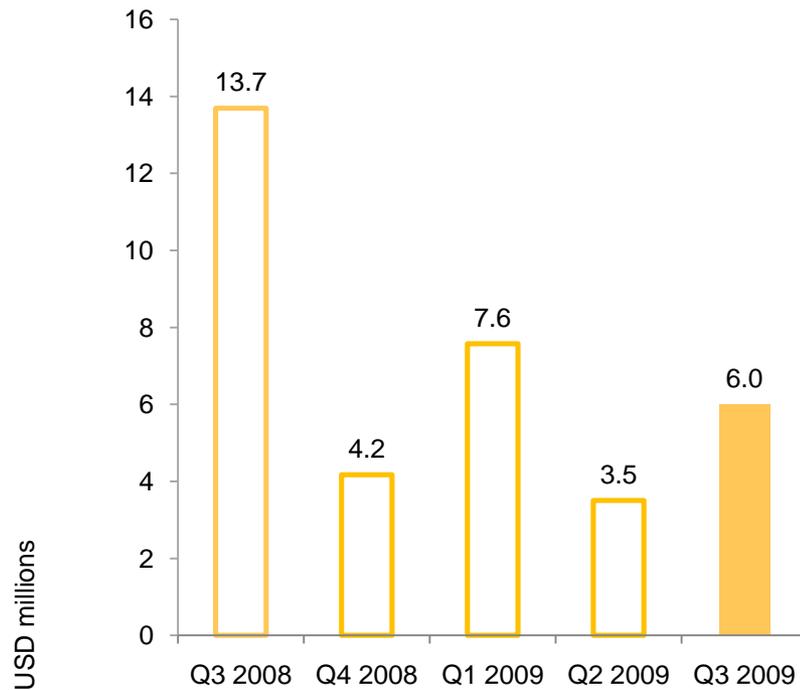
EXCHANGE RATE DIFFERENCES



NET PROFIT – ÖSSUR IS PROFITABLE



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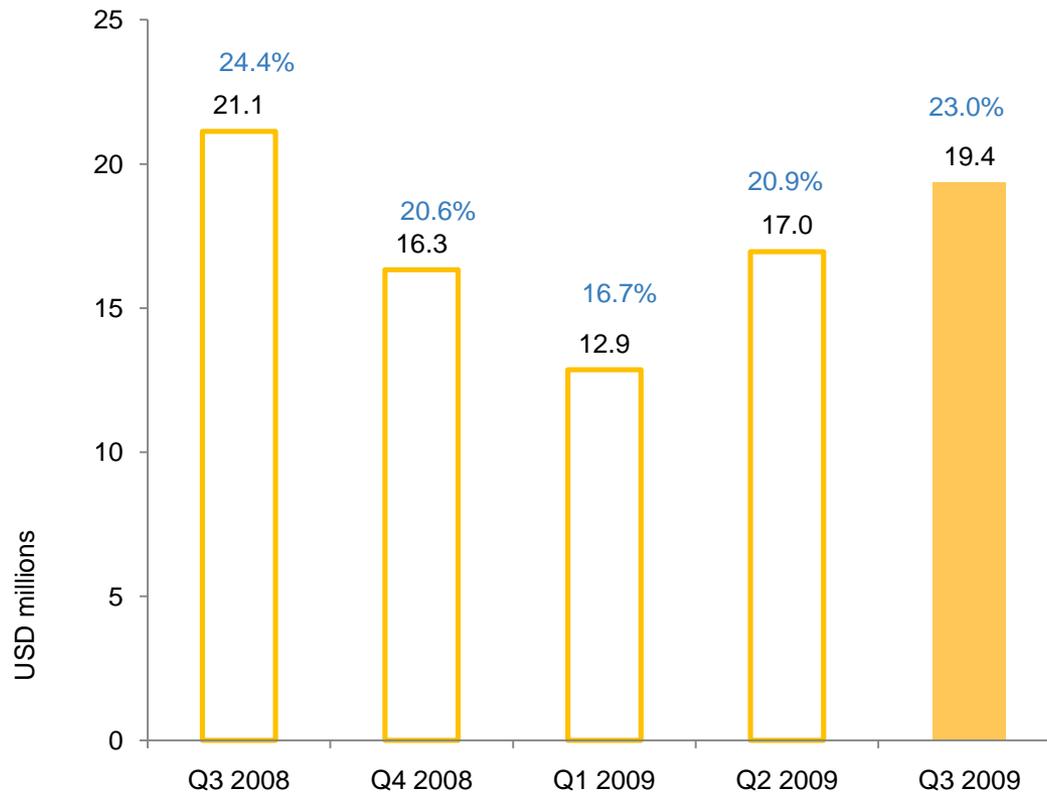
Exchange rate gain on financial items USD 7.0 million and one time gains from sales of assets USD 2.3 million in Q3 2008

- Exchange rate fluctuations impact financial expenses and profits
- Net profit 7.1% of sales

EBITDA 23% - ONE OF OUR BEST QUARTERS



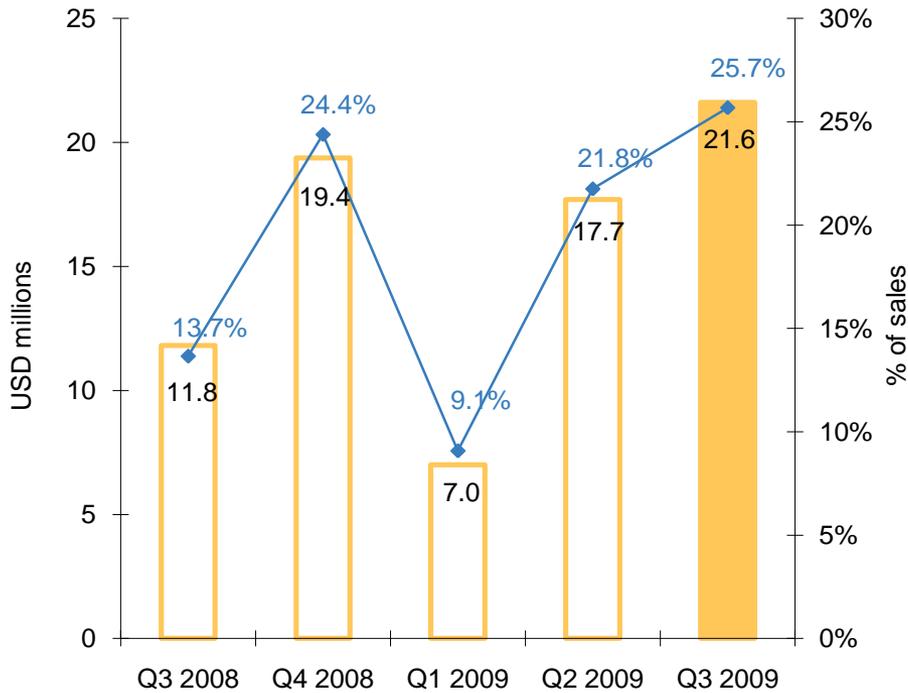
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CASH FLOW - CONTINUES TO BE STRONG



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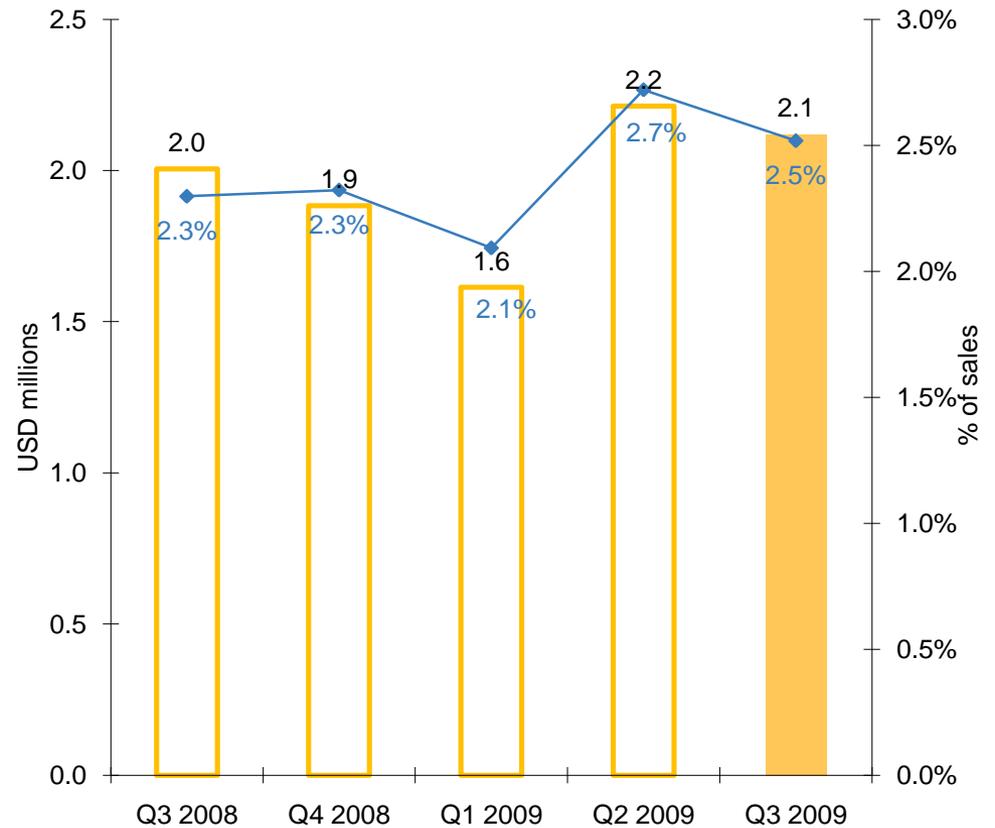
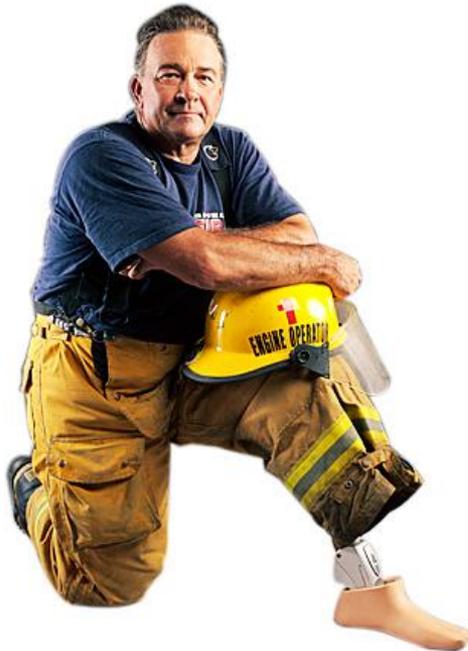
- Net cash from operations USD 21.6 million
- Net increase in cash USD 13.0 million

CAPEX – CONTINUES TO BE WITHIN BENCHMARK



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Capital expenditure amounted to USD 2.1 million or 2.5% of sales



BALANCE SHEETS 30 SEPTEMBER 2009



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USD millions	30 Sept 2009	31 Dec 2008
Non current assets	463	458
Current assets	154	146
Total assets	617	604
<hr/>		
Stockholders' equity	279	250
Non current liabilities	258	223
Current liabilities	80	131
Total equity and liabilities	617	604
<hr/>		
Current ratio	1.9	1.1
Equity ratio	45%	41%
Net interest bearing Debt / EBITDA	3.0	2.9

- Equity ratio 45%
- Net interest bearing debt / EBITDA 3.0 times
- Financed at favorable terms – no covenant issues

FINANCIAL HIGHLIGHTS Q3 2009



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- Sales – tides turning
- Profitable operations
- Strong cash flow
- Healthy balance sheet

2009

Sales: USD 310-320 million

EBITDA: USD 58-62 million

EBITDA margin: 18 - 19%

Slightly outperforming guidance

Preliminary 2010

Organic sales growth (LCY): 3 - 4%

EBITDA growth: 8 – 10%



WE IMPROVE PEOPLE'S MOBILITY



Listed on NASDAQ OMX Copenhagen

www.ossur.com



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