
SUMMARY - OSSUR HF.

Listing on NASDAQ OMX Copenhagen

This summary has been prepared in connection with the listing of shares in Ossur (the “Company”) on NASDAQ OMX Copenhagen in reliance on Section 13(2) of Danish Executive Order No. 1232/2007 regarding prospectuses for securities to be admitted for trading on a regulated market and by public offers of securities of more than EURO 2,500,000.

This summary should be read in conjunction with Ossur’s Annual Report 2008 and other information disclosed in the Company’s announcements, including without limitation its quarterly reports. Any decision to invest in Ossur’s shares should be based on the aforementioned information as a whole, and not solely on this summary.

Where a claim relating to the information contained in this summary is brought before a court, the plaintiff investor may have to bear the costs of translating the summary before such legal proceedings are initiated.

The natural and legal persons who have prepared this summary and any translations hereof and have applied for approval hereof may be subject to civil liability, but only if this summary is misleading, incorrect or inconsistent when read together with Ossur’s Annual Report 2008 and other information disclosed in Company announcements, including without limitation quarterly reports.

Ossur’s Annual Report 2008 and other information disclosed in Company announcements, including without limitation quarterly reports, is available at Ossur’s website: www.ossur.com.

This document is available in English and in Danish. In case of any discrepancy between the versions, the Danish version shall prevail.

BACKGROUND FOR THE LISTING

Since being admitted to NASDAQ OMX Iceland in 1999, Ossur hf. has used its publicly traded status to raise capital to support its growth strategy. For a number of years, the Company’s management has consistently presented Ossur to the international financial community with the goal of diversifying its shareholder base and gaining access to international

capital markets. Limitations applying to the Icelandic listing, including among other things foreign exchange risk issues and a lack of peer companies, have been an obstacle for initiating and maintaining trade by international investors. In order to facilitate liquidity, fair pricing of its shares and ensure a foundation for further growth, Ossur has reevaluated its listing location. An additional listing on the NASDAQ OMX Copenhagen is believed to make strong strategic sense for the Company. Copenhagen is a developed and recognized market for healthcare companies, with sophisticated infrastructure, listed peers, familiarity to the sector among investors, analyst knowledge and coverage of the sector, as well as better access to the international investor community. NASDAQ OMX’s rules for issuers of shares on the stock exchanges in Iceland and Copenhagen are identical in all material respects.

MANAGEMENT

BOARD OF DIRECTORS

Ossur’s Board of Directors consists of Niels Jacobsen (Chairman), President and CEO of William Demant Holding A/S, Thordur Magnusson (Vice-Chairman), Chairman and principal shareholder of Eyrir Invest ehf., Arne Boye Nielsen, President, Diagnostic Instruments, William Demant Holding A/S, Kristjan T. Ragnarsson, Professor and Chairman of the Department of Rehabilitation Medicine, Mount Sinai Medical Center, New York City, and Svafa Gronfeldt, President of Reykjavik University.

MANAGEMENT TEAM

Ossur’s Executive Management consists of Jon Sigurdsson, President & CEO, Hjorleifur Palsson, CFO, Egill Jonsson, Vice President of Manufacturing and Operations, Hilmar Bragi Janusson, Vice President of R&D, Mahesh Mansukhani, President of Ossur Americas and Olafur Gylfason, Managing Director of Ossur EMEA.

Ossur has issued share options to the Executive Management as described in Ossur’s Annual Report 2008.

INFORMATION ABOUT OSSUR

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Registration number 560271-0189
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110 Reykjavík
Iceland
www.ossur.com

OVERVIEW AND HISTORY

Ossur's mission is to improve people's mobility. A leading global provider of non-invasive orthopaedics, Ossur delivers advanced and innovative solutions within the fields of bracing and supports, prosthetics and compression therapy.

With sales of USD 350 million in 2008 and a reputation for pioneering products, the Company has grown its sales more than twentyfold during the last ten years, transforming from a prosthetic company into a leading global player in non-invasive orthopaedics.

Ossur was founded in 1971 by prosthetist Ossur Kristinsson. The Company served the domestic market in Iceland as a prosthetic workshop until 1986 when the first patent was obtained and Ossur began exporting its products. Following the listing of Ossur's shares on the Icelandic stock exchange in 1999, the Company started expanding internationally through a series of strategic acquisitions. Significant investments in technology and innovation along with strategic acquisitions, have been the foundation for Ossur's growth.

Ossur is headquartered in Reykjavík, Iceland. In 2008 the Company employed a staff of around 1,550 in 14 locations in North America, Europe, Asia and Australia.

BUSINESS STRATEGY

Ossur's vision is to be a leading company in non-invasive orthopaedics. Ossur's business is focused on improving people's mobility through the delivery of high quality products within the fields of bracing and supports, prosthetics and compression therapy. The

Company's values, Honesty, Frugality and Courage, are the foundation for Ossur's success.

The main focus areas for Ossur's strategy are:

- **CUSTOMERS:** Ossur's objective is to offer high quality products and a high level of service to customers.
- **INNOVATION:** Ossur invests significantly in research and product development. The Company's goal is to be a source of innovative, high-quality orthopaedic products and services.
- **CULTURE:** Ossur nourishes its corporate culture by recruiting, training, motivating and rewarding ambitious employees.
- **PROFITABILITY:** Ossur strives for constant improvements and believes a profitable operation is the key to success.

BUSINESS OVERVIEW

PRODUCTS: Ossur offers advanced products in three main categories:

- Bracing and supports (51% of sales 2008)
- Prosthetics (41% of sales 2008)
- Compression therapy (6% of sales 2008)

Bracing and supports products are primarily used to support joints and other body parts, both for preventive and therapeutic purposes. Ossur offers a comprehensive line of custom-made and off-the-shelf products for the ankle, foot, knee, neck, spine, and arms. The development of the product range combines some of the most effective technologies available today with over 30 years of design experience and in-depth knowledge of biomechanics.

Prosthetic products include artificial limbs and related products for individuals who were born without limbs or have been amputated. Ossur offers a full spectrum of premium lower limb prosthetic products, including knees, feet and liners. By applying award winning technologies, expert design and biomechanical understanding, Ossur has developed a product line that represents the best in modern prosthetics. Ossur's state of the art Bionic Technology applies a synthesis of mechanics and electronics which serve to mimic natural sensory and motor control functions of the amputee. This

enables the prosthetic to accurately reproduce functions that have been lost due to amputation.

Compression therapy products, such as compression socks, tights and bandages, are used to apply pressure to the vascular system, to improve circulation and to minimize swelling. Ossur entered the compression therapy segment in 2006 with the acquisition of Gibaud, a leading French bracing and supports and compression therapy provider. The Ossur compression therapy product line is currently only sold in France.

MARKETS: The size of the global non-invasive orthopaedic market in which Ossur operates was estimated to be USD 4 - 4.5 billion in 2008. Ossur is the second or third largest player in the global bracing and supports market with roughly a 7% market share and the second largest player in the prosthetic market with about 22% of the market. The bracing and supports market is still fragmented while significant consolidation has occurred in the prosthetics market. Ossur's compression therapy products are currently only sold in France, where the Company has a 6% market share.¹

INDUSTRY DYNAMICS: Innovation and developments in technology, demographics, lifestyle, reimbursement and the regulatory environment are key dynamics that influence the orthopaedic industry. New technologies and technology combinations as well as new materials continuously yield improved products, leading to market growth through new customer segments and more expensive solutions. An aging population, increased social demands and lifestyle issues such as obesity are among the underlying market fundamentals in the industry. At the same time, efforts to hold back growth in healthcare expenditure influence the industry's regulatory environment, increasing the demand for cost effective solutions and the importance of being able to adapt to a changing environment.

¹ Market sizes based on Frost & Sullivan industry analysis and Ossur's management estimates.

CUSTOMERS AND SALES CHANNELS: The orthopaedic industry is highly specialized. Products are generally prescribed by specialist health-care providers which are Ossur's primary customers, and reimbursed by various public and private insurance schemes.

Orthopaedic industry stakeholders can be categorized into four groups:

- End-users
- Providers
- Payers
- Influencers

These groups each influence decisions to purchase a product or a service from Ossur. Typically, the consumers of products — end-users and patients — do not make the decision on which product to buy, but rather follow the advice of certified specialists, such as orthotists, prosthetists, doctors, physical therapists or pharmacists. The product is usually paid for by a third-party, including governmental healthcare programs and insurance companies. In recent years the industry has seen greater independence and demands from users themselves. The industry is also influenced by user, medical and trade associations.

Ossur sells its products through its own direct sales network as well as distributors. The Company's sales force consists of over 350 employees as well as numerous distributors.

MANUFACTURING AND OPERATIONS: The Company's manufacturing and operations activities take place in the Americas, Europe and Asia. Following a number of acquisitions, the Company has now streamlined its manufacturing and operations activities into three main locations, based on market proximity and efficiency. At the end of 2008 Ossur employed around 770 people in manufacturing and operations. Roughly 26% of the Company's production was outsourced, mainly to cooperation partners in Asia.

Manufacturing of bracing and supports products mainly takes place in the USA, France and Asia. Manufacturing of prosthetics takes place in Iceland, except for mechanical knees which are

manufactured in the USA. Compression therapy products are manufactured in France.

Ossur places great emphasis on quality and has had a certified quality system in place since 1993. All Ossur products are CE labeled to meet the requirements of the European Economic Area, and in the USA they meet the FDA standards.

RESEARCH & DEVELOPMENT: Innovation is a key pillar in Ossur's strategy and the catalyst for the Company's organic growth. Each year, a sizable amount is invested in activities relating to research and development. In 2008, such investments amounted to USD 21 million, corresponding to 6% of total sales. Investments in R&D activities, combined with the R&D team's expertise and technical capabilities, enable Ossur to continually introduce pioneering products that have a dramatic impact on the orthopaedic community. At the same time, continuous focus on product improvements and product rationalization improves the Company's profitability.

Ossur operates four R&D departments in four different countries with a total of around 90 employees. Each R&D department is strategically positioned close to Ossur marketing and/or manufacturing locations.

INTELLECTUAL PROPERTY RIGHTS: It is Ossur's policy to manage and actively protect its Intellectual Property Rights (IPR) in line with its business model which places great emphasis on innovation and the leveraging of technological capacity and expertise to gain market superiority. Ossur's IPR primarily include patents (and patent applications), trademarks, trade secrets and copyrights. Ossur relies on a limited number of exclusive third party license agreements resulting from either acquisitions or third party collaboration.

At the end of 2008, Ossur held 227 US patents and 87 international patents, along with 128 pending patent applications in the US and 233 in other countries, as well as 68 patents licensed from third parties.

ACQUISITIONS: In the past years, Ossur has transformed into a global player in non-invasive orthopaedics. Organic growth has been fuelled by technical innovation and external growth through strategic acquisitions.

Ossur has acquired thirteen companies since 2000. From 2000 to 2003 Ossur's acquisitions focused on strengthening its prosthetic business through six acquisitions. Since then, the focus has primarily been on creating and strengthening Ossur's bracing and supports business, most notably with the acquisitions of the US-based Royce Medical in 2005 and Gibaud in France in late 2006. Bracing and supports sales increased sixfold from 2004 to 2007. This transformation of the Company and consolidation of several of the acquired entities is progressing.

Market developments and acquisition opportunities are continuously monitored.

RISK FACTORS

An investment in Ossur's shares involves a high degree of risk. Ossur's business, financial condition and results of operations going forward rests upon certain assumptions and could be severely impacted by various occurrences. These and other occurrences can be related to future developments in medicine, market trends, reliance on agents, orthopaedic professionals and third-party distributors, dependency on raw materials, dependency on financing, disruptions to production facilities, the risk of fluctuations in foreign currency exchange rates, risks relating to the protection of intellectual property rights and product liability claims and the Company being subject to healthcare industry reforms and legislative and regulatory changes.

There can be no assurance that the Company's assumptions will prove to be correct. Furthermore, additional risks and uncertainties not presently known to Ossur, or that the Company currently deems immaterial, may also adversely affect its business operations and financial results. The risk factors discussed above are not exhaustive, nor

listed in any order of priority. For a more detailed description of potential risk factors, see the section “Risk factors” in Ossur’s Annual Report 2008.

CAPITAL RESOURCES

Ossur’s ratio of equity to total assets was 44% at the end of June 2009 and net interest bearing debt over EBITDA was 3.2. Ossur is highly cash generative and the Company’s cash position at the end of June 2009 amounted to USD 35.7 million. Long-term financing has been secured until October 2011 through existing credit facilities with New Kaupthing Bank. Ossur works towards broadening and internationalizing its debt profile, carefully selecting long-term financing partners.

Ossur has pledged assets as security for the loan facilities, such as intellectual property rights and other fixed assets. These facilities include customary representations, warranties and covenants.

SUMMARY FINANCIAL INFORMATION

Ossur’s financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and additional Icelandic disclosure requirements for listed companies.

Reflecting the global composition of its business, Ossur’s functional and reporting currency is USD. The following tables include selected consolidated financial information derived from the Company’s financial statements.

Detailed financial information is available in the Company’s Financial Statements and Annual Reports on www.ossur.com.

For a discussion of the financial performance, please refer to the Company’s Annual Report 2008 and Financial Statements for the first half of 2009.

OUTLOOK

Ossur’s management considers the long-term prospects for the Company’s operations to be promising. Ossur is an established global market leader with an attractive market position in its major product segments. The Company has a proven track record of continuously increasing product value through innovation as well as growing through strategic acquisitions. Furthermore, demographic aspects such as an aging population and increases in lifestyle-related diseases are considered important market growth drivers.

The current slowdown of the economy is likely to affect Ossur in the short to medium term and significant volatility in currency rates impact the Company’s financial results. In this as in other situations where external factors impact Ossur’s profitability, the Company takes action on an ongoing basis to improve efficiency and contain costs.

The following is Ossur’s management estimates for the full year 2009:

- Sales USD 310-320 million
- EBITDA USD 58-62 million
- EBITDA margin 18-19%

FINANCIAL INFORMATION

Income Statements ⁽¹⁾ (USD millions)	H1 2009	H1 2008	2008	2007	2006
Net sales	158.5	180.9	346.8	332.0	248.7
Cost of goods sold	-61.4	-69.4	-132.6	-140.0	-93.9
Gross profit	97.1	111.5	214.2	192.0	154.8
Other income	0.3	7.0	9.4	12.0	0.5
Sales and marketing	-47.2	-50.9	-97.8	-88.3	-73.0
Research and development	-9.8	-10.8	-20.9	-19.9	-17.9
General and administrative	-20.9	-27.0	-48.9	-56.1	-36.2
Restructuring expenses	0.0	0.0	0.0	0.0	-8.5
Profit from operations	19.6	29.8	56.0	39.7	19.7
Financial income / expenses	-5.4	-14.1	-17.7	-31.7	-20.6
Profit before tax	14.2	15.6	38.2	8.1	-0.9
Income tax	-3.1	-5.0	-9.7	-0.5	5.2
Net profit	11.1	10.6	28.5	7.6	4.4
EBITDA	29.8	42.0	79.4	64.4	39.5
EBITDA adjusted ⁽²⁾	31.5	36.7	72.6	58.4	47.9
Balance Sheets (end of period)	H1 2009	H1 2008	2008	2007	2006
Fixed assets	457.6	503.9	458.0	503.6	489.3
Current assets	141.3	142.0	145.7	132.3	123.4
Total assets	598.9	645.9	603.8	635.8	612.8
Stockholders' equity	264.7	268.9	249.6	250.3	161.6
Long-term liabilities	258.8	244.4	222.0	239.4	234.5
Current liabilities	75.3	132.6	132.1	146.2	216.6
Total equity and liabilities	598.9	645.9	603.8	635.8	612.8
Cash Flows	H1 2009	H1 2008	2008	2007	2006
Net cash provided by operating activities	24.7	21.7	52.8	45.7	16.0
Cash flows from investing activities	-3.7	-2.9	-6.6	-17.8	-179.1
Cash flows from financing activities	-16.6	-24.0	-30.6	-25.3	154.2
Key Ratios ⁽¹⁾	H1 2009	H1 2008	2008	2007	2006
Gross profit margin	61%	62%	62%	58%	62%
Research and development ratio	-6%	-6%	-6%	-6%	-7%
Expense ratio	-49%	-49%	-48%	-49%	-55%
Profit from operations ratio	12%	16%	16%	12%	8%
EBITDA ratio	19%	23%	23%	19%	16%
Adjusted EBITDA ⁽²⁾ ratio	20%	20%	21%	18%	19%
Net debt / EBITDA	3.2	3.5	2.9	4.4	8.9
Employees (FTE year end)	1,551	1,644	1,587	1,585	1,525
Equity ratio	44%	42%	41%	39%	26%
Return on capital ⁽³⁾	9%	7%	9%	5%	5%
Return on equity ⁽³⁾	11%	8%	11%	4%	3%
Market capitalization in millions (USD)	384.7	498.5	349.3	672.0	605.6
Number of shares in millions	423	423	423	423	385
Earnings per share (EPS), US Cents ⁽³⁾	6.84	4.74	6.74	1.94	1.13
Cash EPS, US Cents ⁽³⁾	11.92	9.85	12.29	8.24	6.27

(1) In 2009 all income and expenses related to freight to customers are classified as sales and marketing expenses. For comparative purposes 2006 – 2008 figures have been adjusted accordingly.

(2) Adjusted for one-time income and expenses.

(3) Financial ratios for YTD 2009 and YTD 2008 are based on operations for the preceeding 12 months.

SHARE CAPITAL

Ossur had 423,000,000 shares issued and outstanding at 30 June 2009. The nominal value of each share is one Icelandic krona.

The Company held 17,992 treasury shares as of 30 June 2009, corresponding to 0.004% of the Company's share capital.

The Board of Directors has been authorized to issue up to 210,042,801 new shares in the Company, of which existing shareholders have pre-emptive rights to subscribe 9,608,310 shares and 200,434,491 shares can be issued without pre-emptive rights for existing shareholders. The authorization expires on 23 February 2011 for 434,491 of the shares and on 22 February 2012 for 209,608,310 of the shares.

Following the listing on NASDAQ OMX Copenhagen, the Board of Directors will, in order to facilitate liquidity, consider an issue of 21-30 million new shares corresponding to 5-7% of the Company's issued share capital, to institutional investors, depending on, among other things, the general markets conditions, investor demand and pricing.

SHAREHOLDERS' MEETINGS

The supreme authority in all affairs of the Company is in the hands of a lawful shareholders' meeting. According to the articles of association, shareholders' meetings are held at Ossur's headquarters or at other locations as determined by the Board of Directors. Shareholders' meetings can be held by electronic media.

At a shareholders' meeting, each share carries one vote and decisions are taken by majority vote unless otherwise provided for by law or the articles of association.

RIGHTS TO DIVIDENDS

Ossur's shares carry the right to dividends in proportion to the issued and outstanding share capital of Ossur. All shares have equal rights.

As a matter of policy, Ossur has retained all earnings for investments in growing the Company and has not paid dividends since the initial listing of the Company's shares.

LISTING

Ossur's shares have been listed on NASDAQ OMX Iceland since 1999, stock symbol HL:OSSR. Ossur is a component of the OMXI-6 Index, consisting of the six most traded companies on the exchange.

Ossur applies for its shares to be admitted to trading on NASDAQ OMX Copenhagen under stock symbol OSSR with 4 September 2009 as the expected first day of trading. Ossur is expected to be included in the Copenhagen Health Care and MidCap indices among others.

REGISTRATION OF SHARES, CLEARING AND SETTLEMENT

Ossur's shares are registered with Verdbrefaskraning Islands, Laugavegi 182, IS-105 Reykjavik and VP Securities A/S, Weidekampsgade 14, DK-2300 Copenhagen S.

Ossur's shares are traded under ISIN code: IS0000000040.

Clearing and settlement of trades of Ossur shares made on NASDAQ OMX Iceland and NASDAQ OMX Copenhagen takes place through Ossur's issuing agents in Iceland and Denmark.

Trading with Icelandic financial instruments is currently subject to Icelandic Foreign Exchange Rules. The Central Bank of Iceland has authorized the additional listing and granted exemptions to these rules allowing certain transfers of and trade in Ossur shares. Subject to approval of the listing application, investors domiciled outside Iceland will, in general, be able to trade Ossur shares freely on the Danish market. Investors domiciled in Iceland can still trade Ossur shares freely on the Icelandic market. More detailed information on the possibilities to transfer and trade Ossur shares can be found on Ossur's website: www.ossur.com/investors.

ISSUING AGENT

Nordea Bank Danmark A/S will be the issuing agent for Ossur's shares in respect of shares registered with VP Securities A/S in Denmark.

MARKET MAKER

Trading with and pricing of Ossur's shares depend upon supply and demand. If there is limited supply and demand, there may be situations in which it can be difficult to sell or buy Ossur shares.

Ossur has entered into market making agreements with New Kaupthing Bank hf. and Saga Capital Investment Bank hf. in Iceland.

Ossur has moreover entered into a market making agreement with Nordea Bank Danmark A/S, which will be effective when Ossur's shares have been officially listed and admitted to trading on NASDAQ OMX Copenhagen. According to the agreement the difference between the bid price and offer price ("spread") shall not exceed 4.0% in normal market conditions.

SHAREHOLDERS

Ossur had 2,414 shareholders on 30 June 2009. The largest single shareholder was William Demant Invest A/S, holding a 39.88% share. The investment fund is wholly owned by Danish-based William Demant and Hustru Ida Emilies Fond (The Oticon Foundation), which is also a majority shareholder of hearing-aid manufacturer Willam Demant Holding A/S. The second-largest shareholder was Eyrir Invest ehf., holding a 20.20% share. Eyrir is an active investor in companies that are potential industry leaders within various market segments. The third-largest shareholder was Mallard Holding with an 8.40% share. Mallard Holding is owned by the founder of the Company, Ossur Kristinsson (a former Ossur board member), and his family. The Danish pension fund ATP (Arbejdsmarkedets Tillægspension), was the fourth-largest shareholder, holding a 5.26% share in the Company.

According to the current Icelandic takeover rules, shareholders who held more than 30% of the voting

rights in a listed company prior to 1 April 2009 have until 31 March 2011 to either make a takeover bid to other shareholders of the company or reduce their holdings below the threshold of 30%. The Icelandic FSA can extend this period twice for six months at a time if market conditions suggest that it is unfair to request the shareholders to reduce their holdings below the threshold within the time limits.

AVAILABLE INFORMATION

The following information can be found on Ossur's website:

- Press releases and Company announcements
- Annual reports
- Financial statements
- Articles of association
- Information about Company products and technology
- Corporate video

www.ossur.com – www.ossur.com/investors

FINANCIAL CALENDAR

27 October 2009	Release of 3 rd quarter results
4 February 2010	Release of 4 th quarter results
23 February 2010	Annual General Meeting