



*Life Without Limitations*



OSSUR INVESTOR MEETING

28 APRIL 2009



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OSSUR – Q1 2009

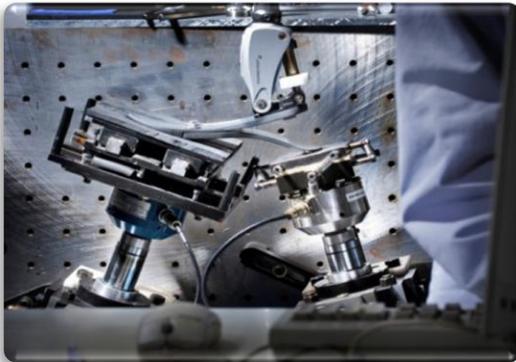
JÓN SIGURÐSSON – PRESIDENT & CEO

# HIGHLIGHTS Q1 2009



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- Sales 77 million
- Sales decline 13% (4% LCY)
- EBITDA 17%
- Sales affected by the economic downturn
- Changes in the shareholder group
- First GPO contract signed





## ●● Americas

- Sales decline 8%
- New sales channel structure in bracing and supports
- First GPO contract – Novation

## ●● EMEA

- Sales decline 1%
- Compression therapy; 9% decline

## ●● Asia

- Sales growth 12%
- EBITDA 24%

Note: All growth numbers in local currency

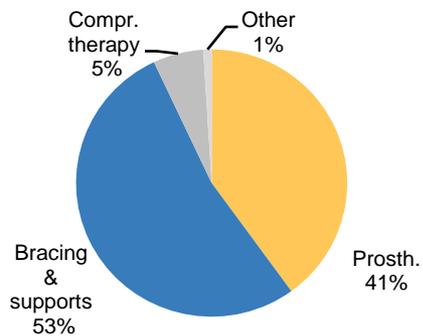
# SALES SPLIT BY SEGMENT & GEOGRAPHY 2007-2009



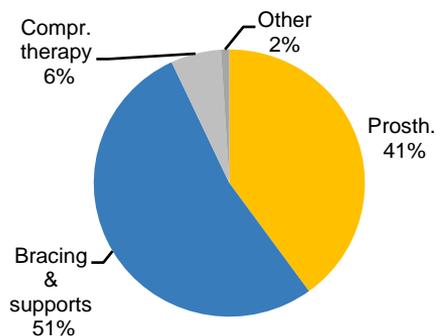
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2007

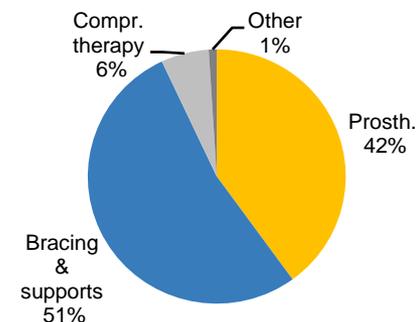
SEGMENT



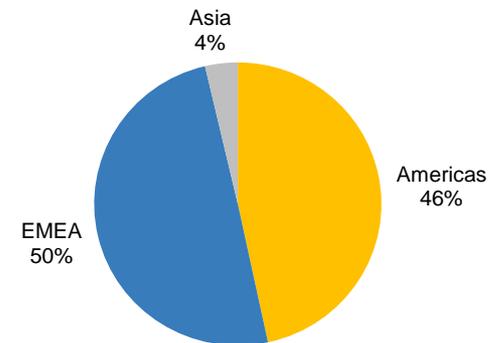
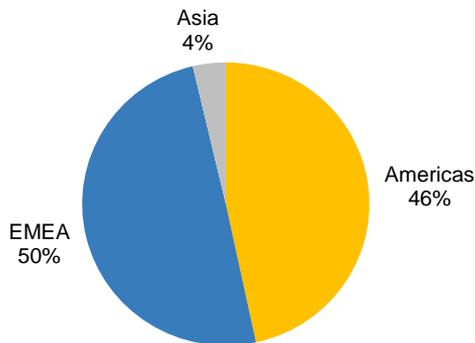
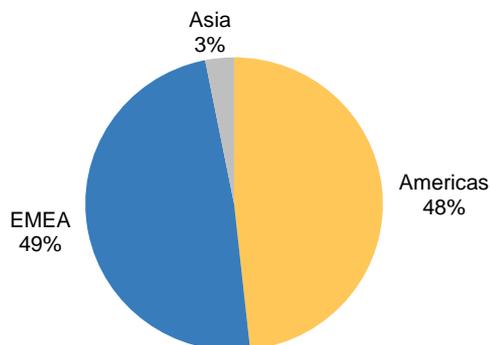
2008



Q1 2009



GEOGRAPHY





## Bracing and supports

### Cold Rush™ Cold Therapy System

- Effective and soothing treatment for reducing post-operative pain and swelling
- Designed to deliver continuous cold therapy to the hip, knee, ankle, shoulder, back or hand



### Hiptric™

- Post-op brace designed to protect patients following total hip replacements or other hip joint surgeries, injuries or problems that can benefit from range-of-motion control
- Prevents hip dislocations post-surgery



## Prosthetics

### Flex-Foot® Assure – successful product launch in Q4 2008

- Flex-Foot Assure, designed specifically for slower speed walkers, has been well received by the market



FINANCIALS: Q1 2009

HJÖRLEIFUR PÁLSSON – CFO

# INCOME STATEMENTS Q1 2009



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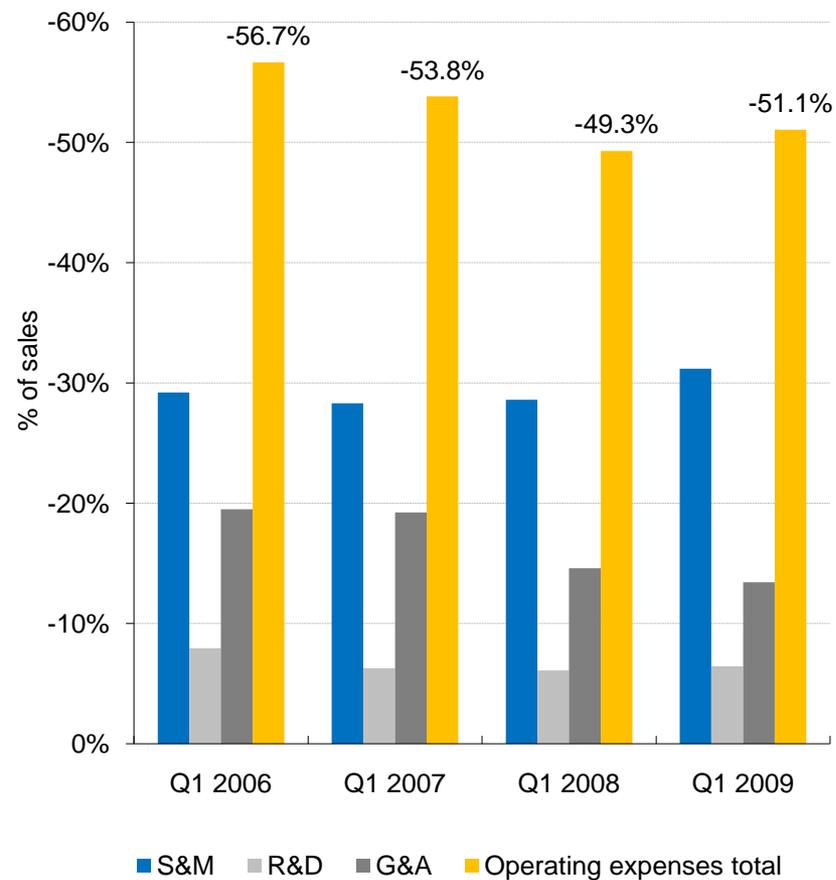
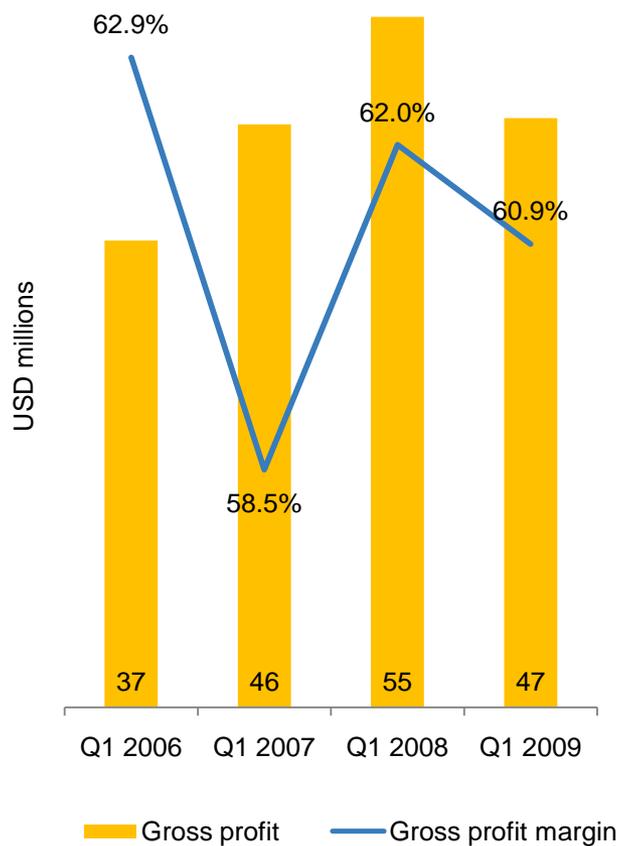
Income Statements (USD '000)	Q1 2009	% of sales	Q1 2008	% of sales	Change
Net sales	77,180	100.0%	88,870	100.0%	-13.2%
Cost of goods sold	(30,155)	-39.1%	(33,786)	-38.0%	-10.7%
<b>Gross profit</b>	<b>47,025</b>	<b>60.9%</b>	<b>55,084</b>	<b>62.0%</b>	<b>-14.6%</b>
Other income	227	0.3%	5,739	6.5%	-96.0%
Sales & marketing expenses	(24,063)	-31.2%	(25,406)	-28.6%	-5.3%
Research & development expenses	(4,965)	-6.4%	(5,424)	-6.1%	-8.5%
General & administrative expenses	(10,375)	-13.4%	(12,952)	-14.6%	-19.9%
<b>Profit from operations</b>	<b>7,849</b>	<b>10.2%</b>	<b>17,041</b>	<b>19.2%</b>	<b>-53.9%</b>
Financial income	5,284	6.8%	93	0.1%	5581.7%
Financial expenses	(3,387)	-4.4%	(9,136)	-10.3%	-62.9%
<b>Profit before tax</b>	<b>9,746</b>	<b>12.6%</b>	<b>7,998</b>	<b>9.0%</b>	<b>21.9%</b>
Income tax	(2,173)	-2.8%	(1,314)	-1.5%	65.4%
<b>Net profit</b>	<b>7,573</b>	<b>9.8%</b>	<b>6,684</b>	<b>7.5%</b>	<b>13.3%</b>
<b>EBITDA</b>	<b>12,865</b>	<b>16.7%</b>	<b>22,950</b>	<b>25.8%</b>	<b>-43.9%</b>
<b>EBITDA adjusted*</b>	<b>13,593</b>	<b>17.6%</b>	<b>17,449</b>	<b>19.6%</b>	<b>-22.1%</b>

\*Adjusted for one-time income and expenses

# GROSS PROFIT & OPERATING EXPENSES



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# FINANCIAL EXPENSES



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USD '000	Q1 2009	Q1 2008	Change USD	Change %
Interest income	70	93	(23)	33%
Interest expenses	-3,387	-4,909	(1,522)	45%
Exchange rate differences	5,214	-4,227	n/a	n/a
<b>Net financial expenses</b>	<b>1,897</b>	<b>-9,043</b>	<b>(10,940)</b>	<b>577%</b>



# BALANCE SHEETS 31 MARCH 2009



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USD '000	31 March 2009	31 December 2008	% Change
Fixed assets	448,814	458,046	-2%
Current assets	132,778	145,732	-9%
<b>Total assets</b>	<b>581,592</b>	<b>603,778</b>	<b>-4%</b>
Stockholders' equity	247,050	249,648	-1%
Long-term liabilities	260,778	222,036	17%
Current liabilities	73,764	132,094	-44%
<b>Total equity and liabilities</b>	<b>581,592</b>	<b>603,778</b>	<b>-4%</b>
Current ratio	1.8	1.1	
Equity ratio	42%	41%	
Net Debt / EBITDA	3.2	2.9	

# CASH FLOW



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Cash flow (USD '000)	Q1 2009	Q1 2008	Q1 2008-Q1 2009	
			Change	%
Net cash provided by operating activities	7,003	14,278	-7,275	-104%
Cash flow from investing activities	-1,582	-754	-828	52%
Cash flow from financing activities	-9,632	-15,208	5,576	-58%
Net change in cash	-4,211	-1,684	-2,527	60%
Effects of foreign exchange adjustments	-506	583	-1,089	215%
Cash at end of the period	26,189	14,788	11,401	44%

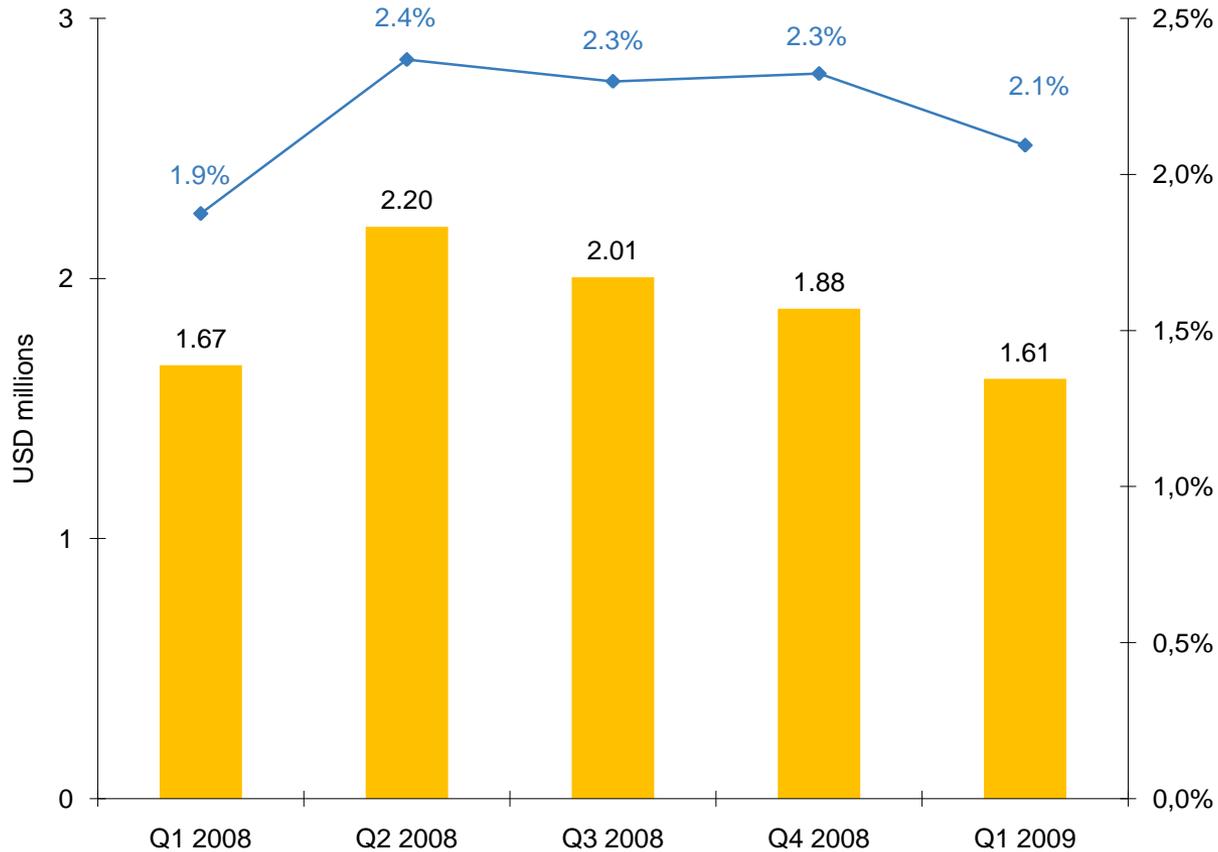


# CAPEX



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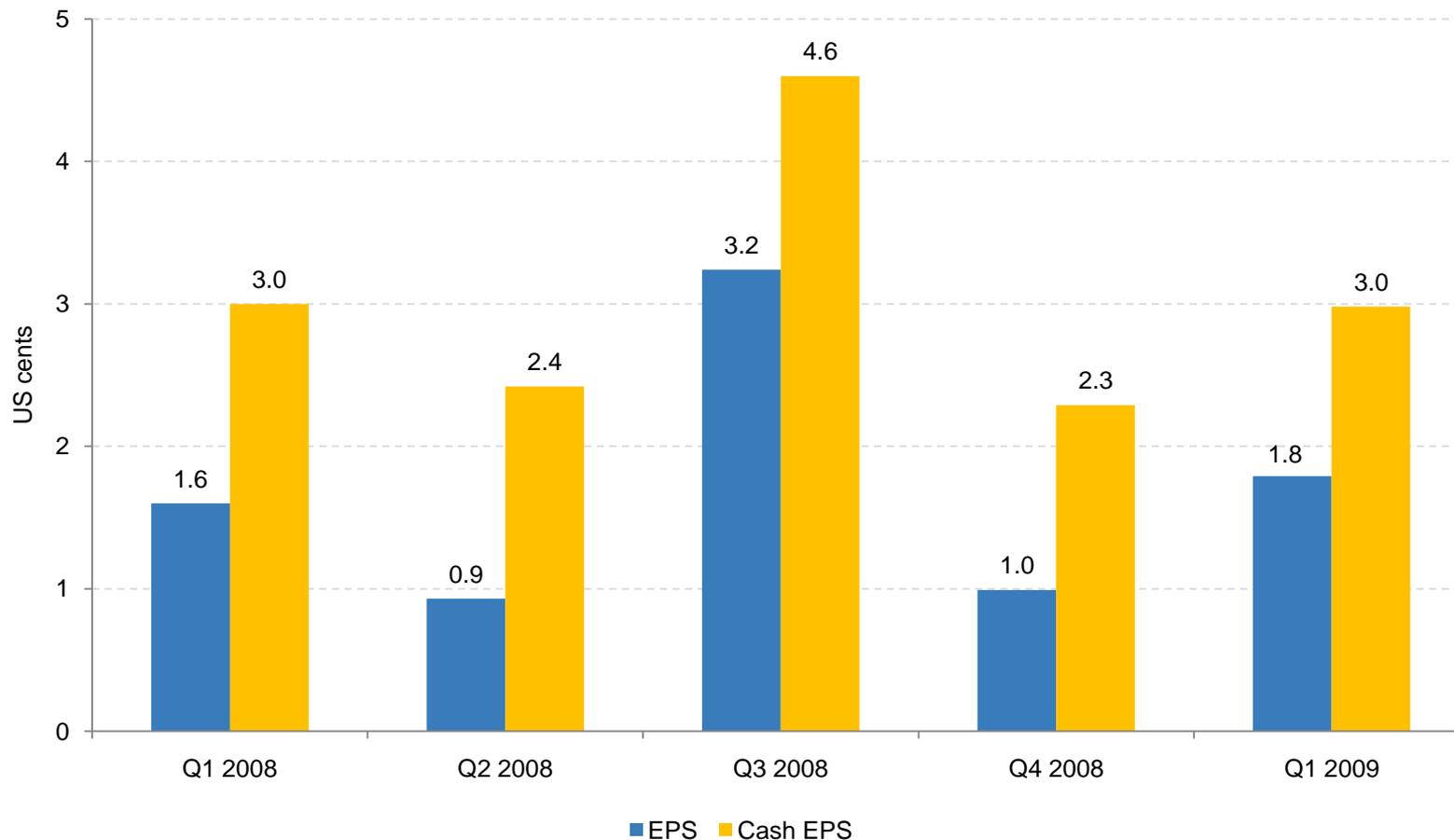
Capital expenditure amounted to USD 1.6 million or 2.1% of sales



# EARNINGS PER SHARE & CASH EARNINGS PER SHARE



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# QUARTER COMPARISON 2006-2009



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Income statements (USD '000)	Q1 2006	Q1 2007	Q1 2008	Q1 2009
Net sales	59,205	79,441	88,870	77,180
Gross profit	37,247	46,495	55,084	47,025
Other income	54	320	5,739	227
Sales and marketing	-17,300	-22,486	-25,406	-24,063
Research and development	-4,699	-4,994	-5,424	-4,965
General and administrative	-8,542	-15,277	-12,952	-10,375
Restructuring expense	-3,000	0,0	0,0	0,0
Profit from operations	3,760	4,058	17,041	7,849
EBITDA	8,594	10,240	22,950	12,865
EBITDA adjusted	11,594	11,528	17,449	13,593
<b>Growth:</b>				
Sales growth	91.2%	34.2%	11.9%	-13.2%
GP growth	98.9%	24.8%	18.5%	-14.6%
Operational expense growth	133.0%	27.5%	2.4%	-10.0%
Profit from operations growth	-14.6%	7.9%	319.9%	-53.9%
EBITDA growth	55.3%	19.2%	124.1%	-43.9%
Adjusted EBITDA growth		-0.6%	51.4%	-22.1%
<b>Key ratios:</b>				
GPM	62.9%	58.5%	62.0%	60.9%
S&M ratio	29.2%	28.3%	28.6%	31.2%
R&D ratio	7.9%	6.3%	6.1%	6.4%
G&A ratio	14.4%	19.2%	14.6%	13.4%
Expense ratio (incl. other income)	56.6%	53.4%	42.8%	50.8%
Profit from operations ratio	6.4%	5.1%	19.2%	10.2%
EBITDA ratio	14.5%	12.9%	25.8%	16.7%
Adjusted EBITDA ratio	19.6%	14.5%	19.6%	17.6%

# THE POWER OF INNOVATION



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