



Össur hf. Q3 2014

Investor Meeting

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FORWARD LOOKING STATEMENTS

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 2014 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.

HIGHLIGHTS Q3 2014

SALES
USD 127m

- 21% growth LCY, 6% organic LCY
- B&S 19% growth LCY, 0% organic LCY
- Prosthetics 23% growth LCY, 15% organic LCY

OPERATIONS
EBITDA USD 29m

- Gross profit margin 64%
- EBITDA margin 23%
- EBITDA growth 30%, increase of USD 7m
- Net profit growth 26%, increase of USD 3m

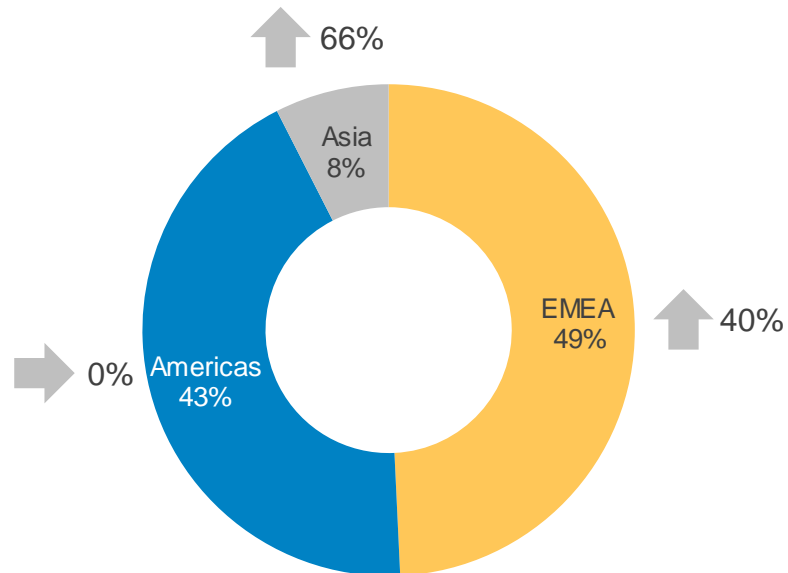
HIGHLIGHTS

- Strong profitability
- Excellent cash flow
- B&S in line with expectations
- Excellent prosthetics sales growth

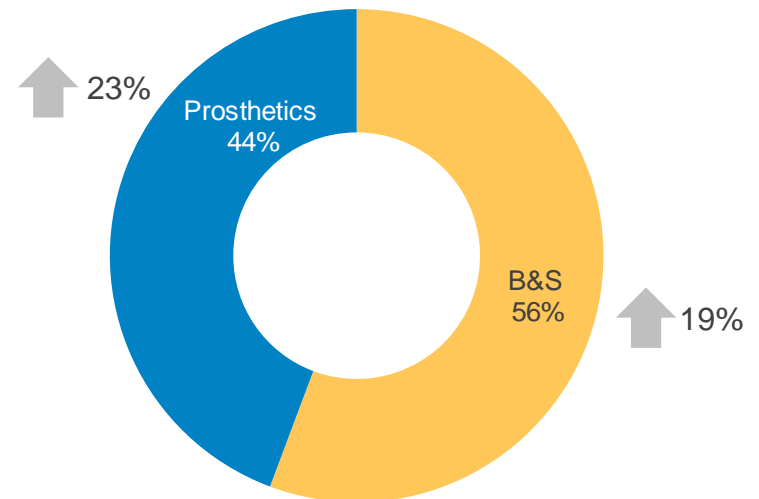
Note:
All growth numbers refer to year-on-year growth

GROWTH BY SEGMENTS AND GEOGRAPHY

Sales by geography

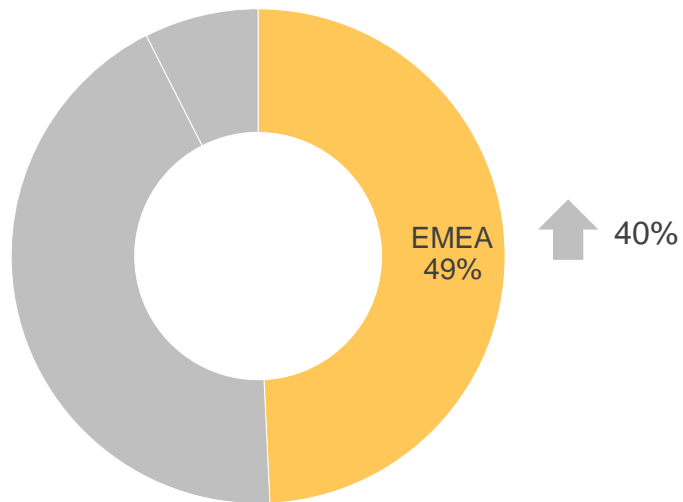


Sales by segments



Note: All growth numbers are in local currency

EMEA 40% SALES GROWTH



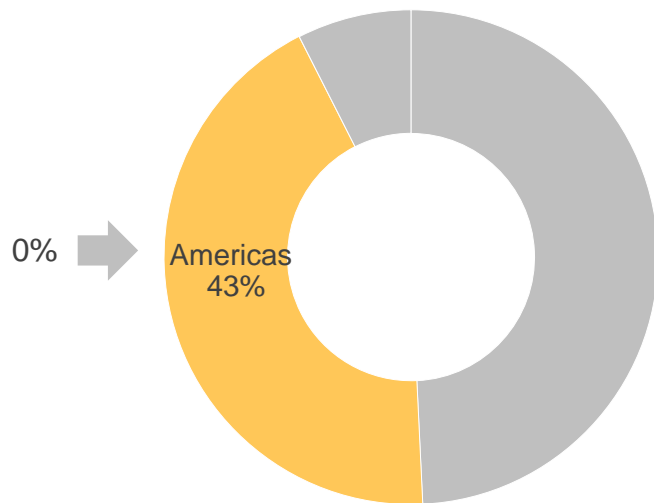
Highlights

40% LCY / 9% org. sales growth

- B&S sales growth good in all major markets
- Prosthetics sales growth high across all major markets and product lines
- Acquisitions performing according to plan

Note: All growth numbers are in local currency

AMERICAS 0% SALES GROWTH



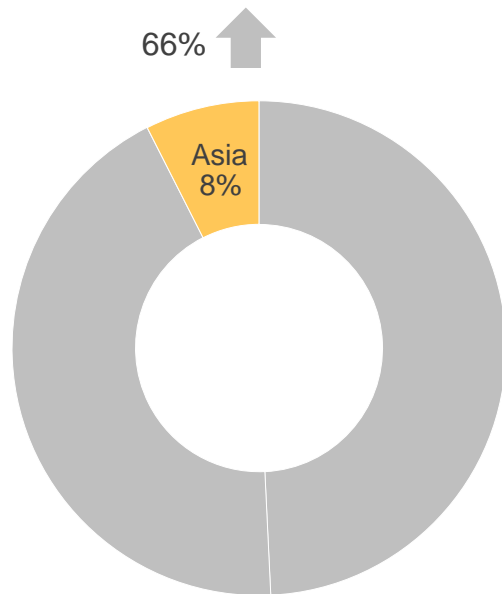
Highlights

0% LCY / 0% org. sales growth

- B&S sales growth negatively affected by focus on high end products and increased profitability
- Challenging conditions in the B&S market
- Excellent performance in prosthetics

Note: All growth numbers are in local currency

ASIA 66% SALES GROWTH



Highlights

66% LCY / 22% org. sales growth

- Excellent B&S sales growth across both segments and markets
- Excellent prosthetics sales growth
- Small acquisition in the beginning of the quarter

Note: All growth numbers are in local currency

NEW PRODUCTS IN Q3 2014

8 products launched during the quarter

5 new products in bracing and supports

Unloader FIT®



Lightweight and easy to fit osteoarthritis solution for those suffering from knee OA

3 new products in prosthetics

Unity® for K2 Sensation®



Advanced solutions for low activity users



Financials Q3 2014

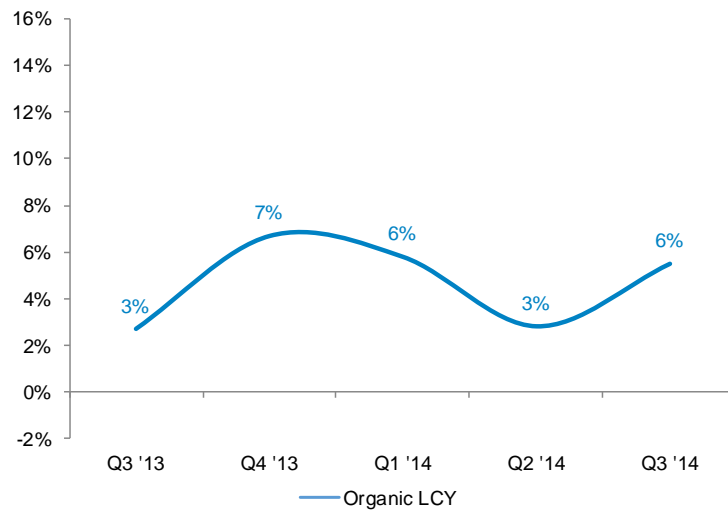
FINANCIALS

Financials USD M	Q3 2014	Q3 2013
Net Sales	127	105
Gross profit	81 64%	65 62%
Profit from operations	24 19%	19 18%
Net profit for the period	16 13%	13 12%
EBITDA	29 23%	22 21%
Net debt/EBITDA	0.8	1.2
Cash generated by operations	33 26%	24 23%

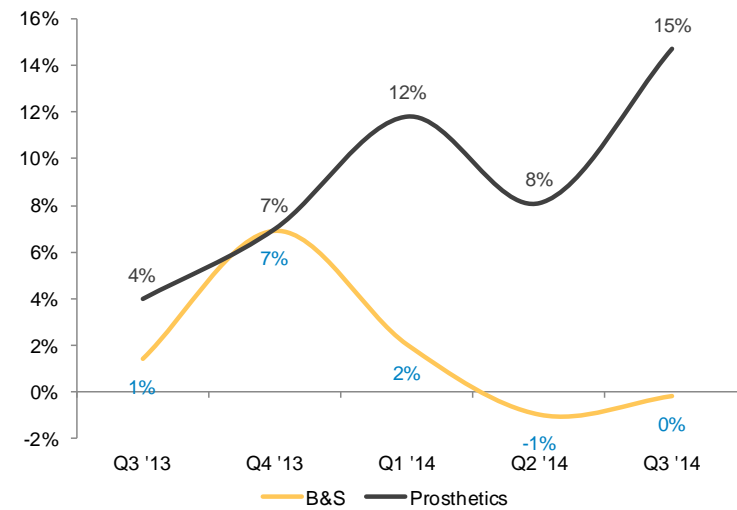
- 21% sales growth, LCY
- 6% organic sales growth, LCY
- Increase in gross profit margin
- Increased operational efficiency
- EBITDA growth 30%
- Net profit growth 26%
- Strong cash flow

ORGANIC SALES 6% GROWTH

SALES

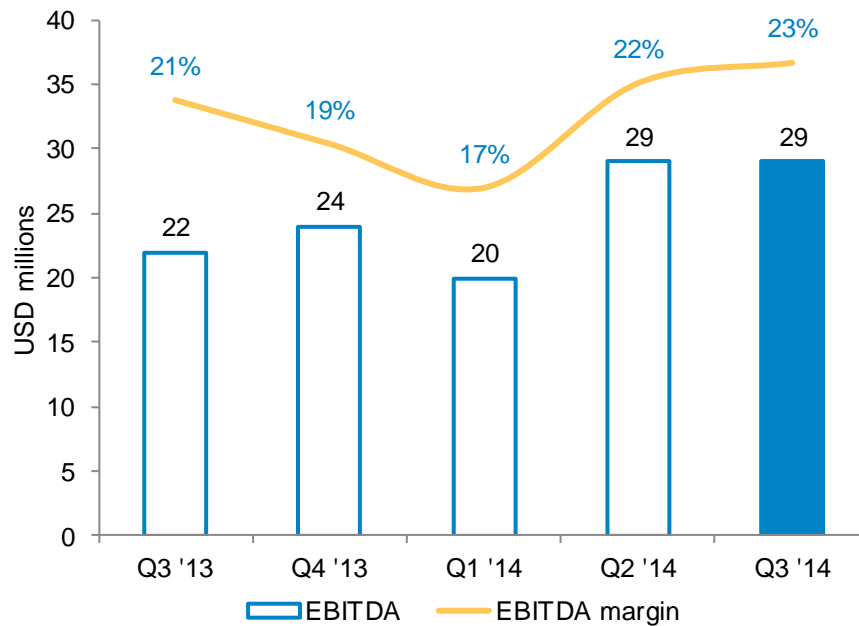


SALES BY SEGMENTS



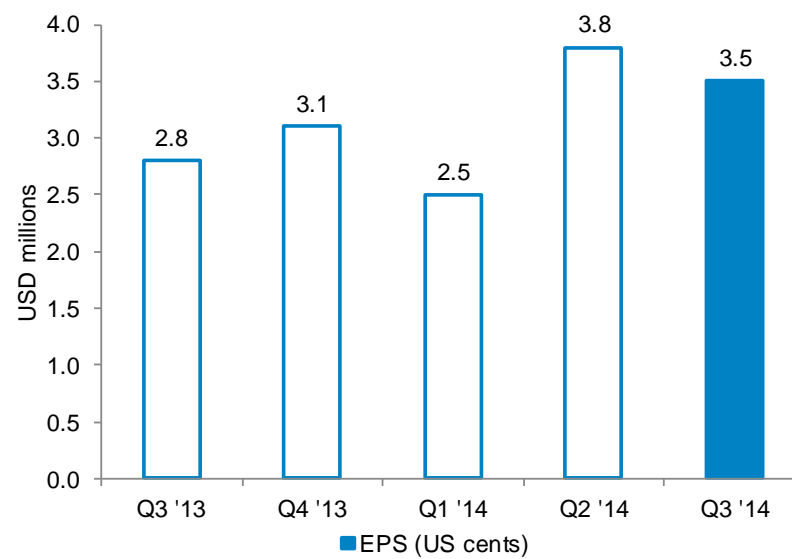
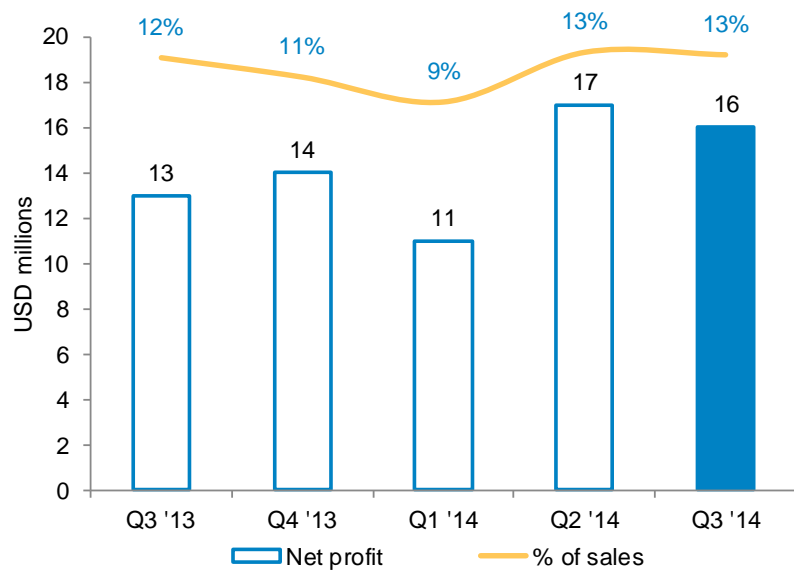
Note: Organic growth in LCY

EBITDA MARGIN 23%

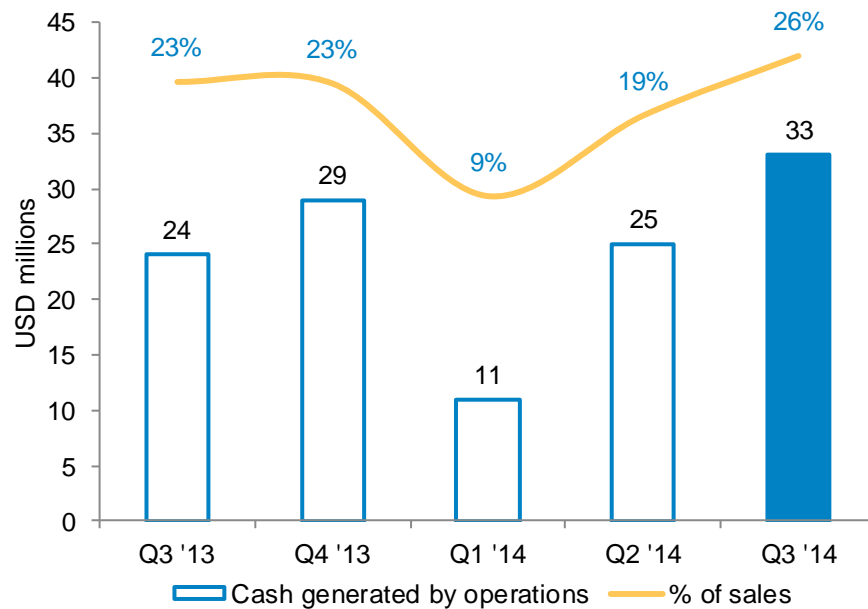


- Growth in EBITDA 30%
- Positive effect from product mix
- Efficiency in manufacturing and operations

NET PROFIT AND EPS



CASH FLOW FROM OPERATIONS



- Good results from operations
- Positive effect from working capital

2014 REVISED GUIDANCE

	Guidance 2014		Revised guidance 2014
Sales growth LCY	16-18%	➡	18-19%
Sales growth organic LCY	3-4%	➡	4-5%
EBITDA margin	19-20%	➡	20-21%



WE IMPROVE PEOPLE'S MOBILITY

