



Life Without Limitations



OSSUR INVESTOR MEETING

5 FEBRUARY 2009



Life Without Limitations



OSSUR – 2008

JON SIGURDSSON – PRESIDENT & CEO

HIGHLIGHTS 2008



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- Sales 350 million
- Sales growth 4%
- EBITDA 23%
- Divestment of the wound care product line
- Management changes at Ossur Americas
- Increased profit



●● Americas

- Sales growth flat
- B&S sales continues to be challenging, further changes planned
- Prosthetic growth in line with market growth

●● EMEA

- EMEA sales growth 2%
- EMEA excl. Gibaud and B2B 7%
- Sales of bracing and supports affected by discontinued sales to distributors
- Strong growth in prosthetics
- Compression therapy sales 2% decline

●● Asia

- Excellent 24% growth

Note: All growth numbers in local currency

SALES SPLIT BY SEGMENT & GEOGRAPHY 2007-2008

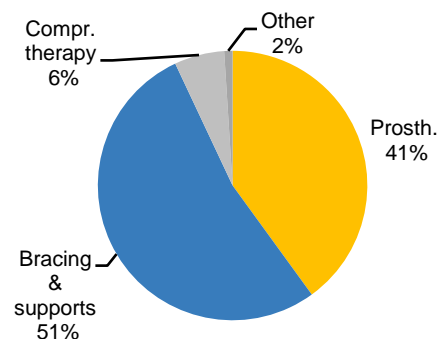
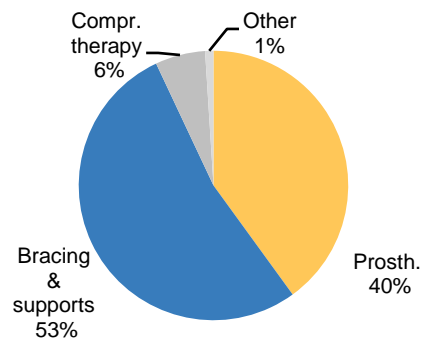


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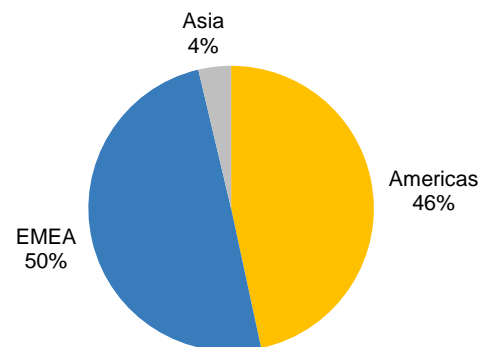
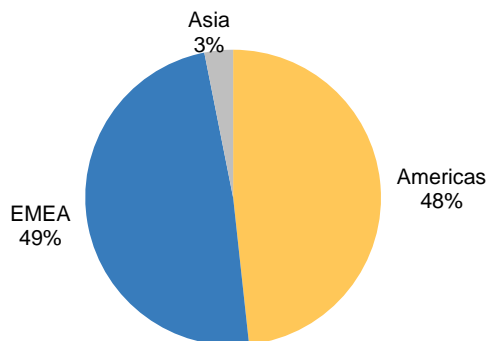
2007

2008

SEGMENT



GEOGRAPHY





Bracing and Supports

Gameday® Ankle brace

- Ankle injury rehabilitation/mobilization
- Beneficial for athletic injuries

Exoform® Dorsal Night Splint

- Premier bracing option for treating plantar fasciitis and related heel pain



Prosthetics

Iceross Seal-In® X5

- Innovative 5 seal design, provides an airtight seal between residual limb and socket
- Now available for both below knee and above knee amputees

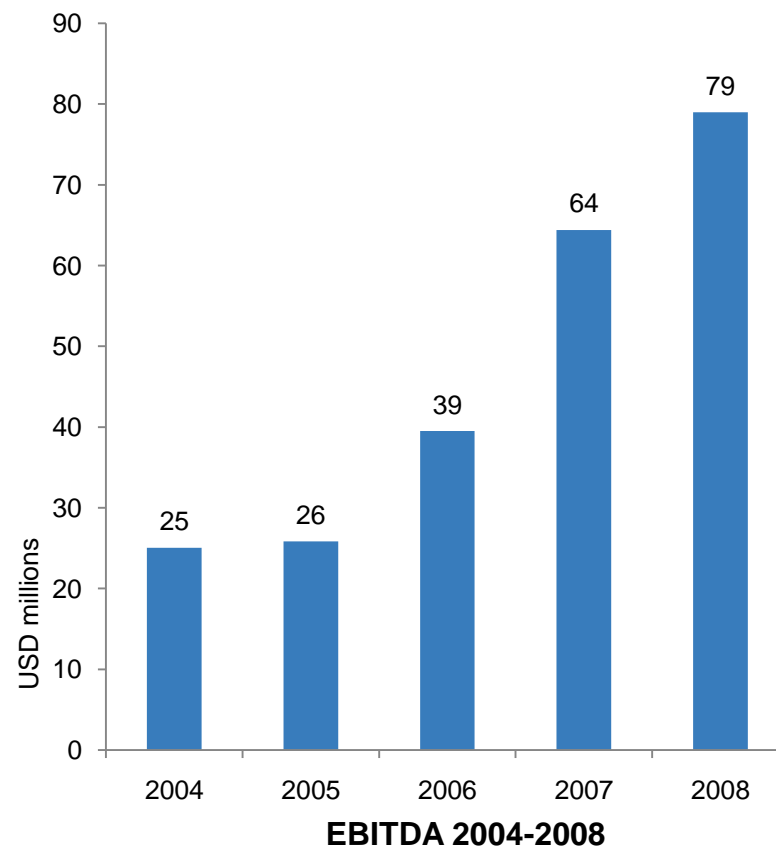
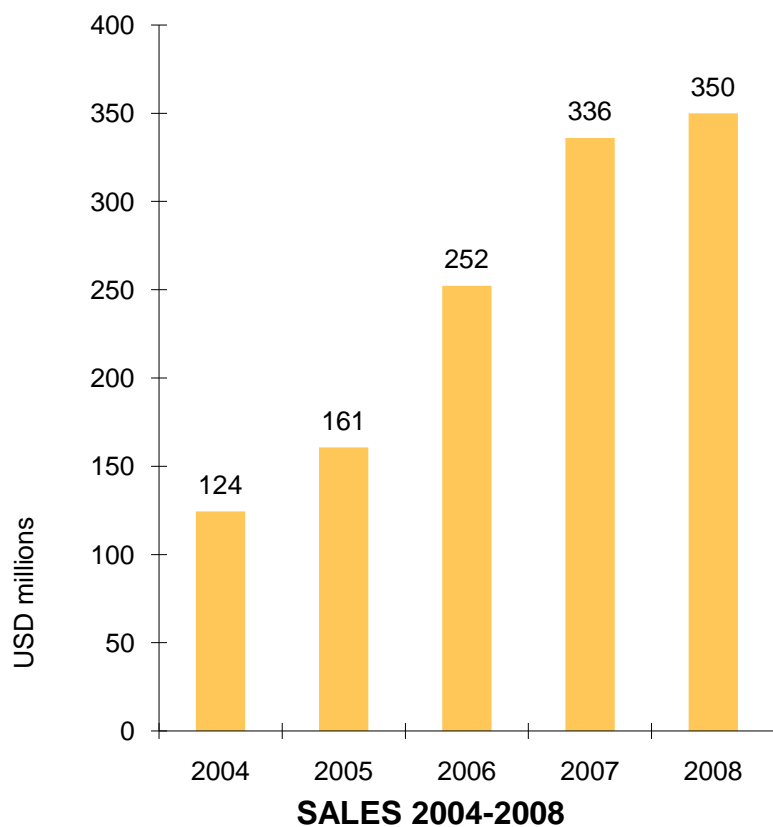
Flex-Foot® Assure

- Ideal solution for diabetic and vascular amputees
- Designed specifically for slower speed walkers

SALES & EBITDA 2004-2008



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FINANCIALS: 2008

HJORLEIFUR PALSSON – CFO



INCOME STATEMENTS 2008



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Income Statements (USD '000)	2008	% of sales	2007	% of sales	Change
Net sales	350,017	100.0%	335,609	100.0%	4.3%
Cost of goods sold	(143,663)	-41.0%	(146,754)	-43.7%	-2.1%
Gross profit	206,354	59.0%	188,855	56.3%	9.3%
Other income	9,433	2.7%	12,033	3.6%	-21.6%
Sales & marketing expenses	(89,963)	-25.7%	(85,152)	-25.4%	5.6%
Research & development expenses	(20,930)	-6.0%	(19,887)	-5.9%	5.2%
General & administrative expenses	(48,936)	-14.0%	(56,132)	-16.7%	-12.8%
Profit from operations	55,958	16.0%	39,716	11.8%	40.9%
Financial income	864	0.2%	10,590	3.2%	-91.8%
Financial expenses	(18,589)	-5.3%	(42,253)	-12.6%	-56.0%
Profit before tax	38,233	10.9%	8,053	2.4%	374.8%
Income tax	(9,745)	-2.8%	(473)	-0.1%	1960.3%
Net profit	28,488	8.1%	7,580	2.3%	275.8%
EBITDA	79,440	22.7%	64,392	19.2%	23.4%
EBITDA adjusted*	72,636	20.8%	58,424	17.4%	24.3%

*Adjusted for one-time income and expenses

BALANCE SHEETS 31 DECEMBER 2008



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USD '000	31 December 2008	31 December 2007	% Change
Fixed assets	458,046	503,564	-9%
Current assets	145,732	132,257	10%
Total assets	603,778	635,821	-5%
Stockholders' equity	249,648	250,282	0%
Long-term liabilities	222,036	239,361	-7%
Current liabilities	132,094	146,178	-10%
Total equity and liabilities	603,778	635,821	-5%
Current ratio	1.1	0.9	
Equity ratio	41%	39%	
Net Debt / EBITDA	2.9	4.4	

FINANCIAL EXPENSES



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USD '000	2008	2007	Change 2007-2008	Change %
Interest income	864	10,590	-9,726	-92%
Interest expenses	-18,303	-25,718	7,415	29%
Exchange rate differences	-286	-16,535	16,249	-98%
Net financial expenses	-17,725	-31,663	13,938	-44%

CASH FLOW



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Cash flow (USD millions)	2006	2007	2008	2007-2008	
				Change	%
Net cash provided by operating activities	16.0	45.7	52.8	7.1	16%
Cash flow from investing activities	-179.1	-17.8	-6.6	11.2	63%
Cash flow from financing activities	154.2	-25.3	-30.6	5.3	21%
Net change in cash	-8.9	2.6	15.6	13.0	500%
Effects of foreign exchange adjustments	0.1	1.1	-0.6	0.5	45%
Cash at end of the year	12.2	15.9	30.9	15	94%

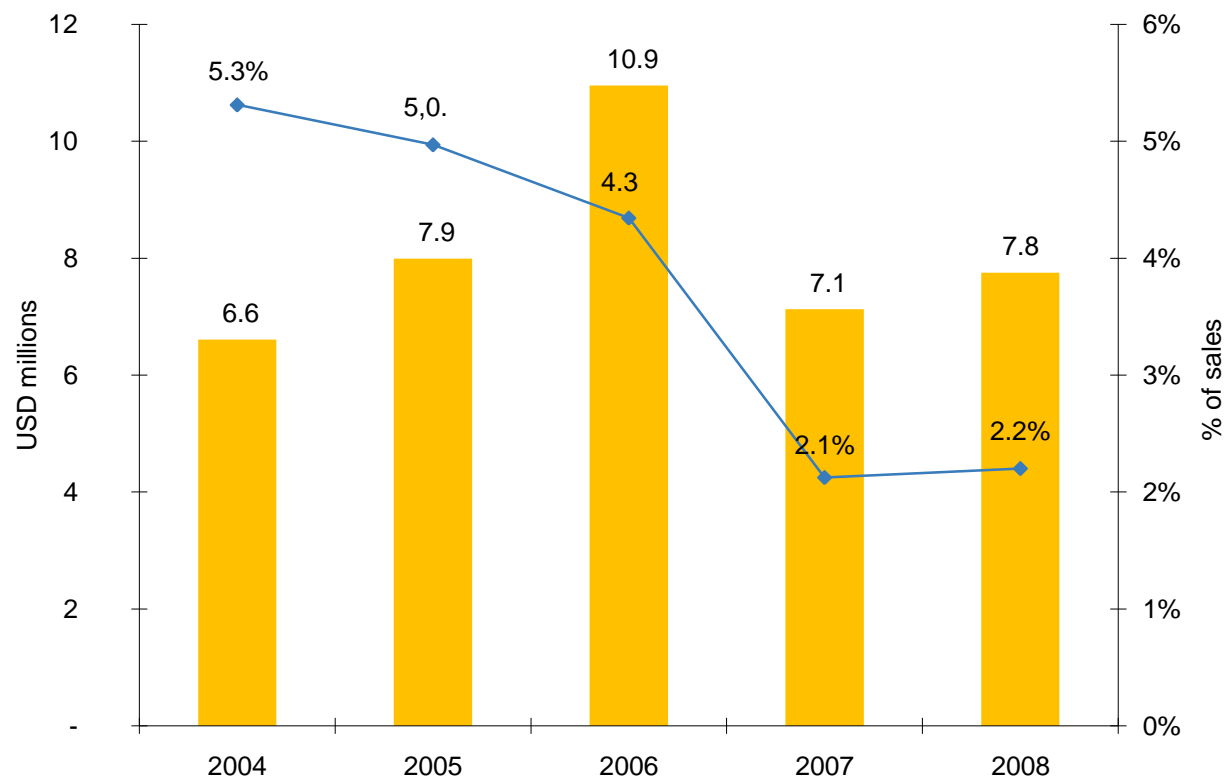


CAPEX



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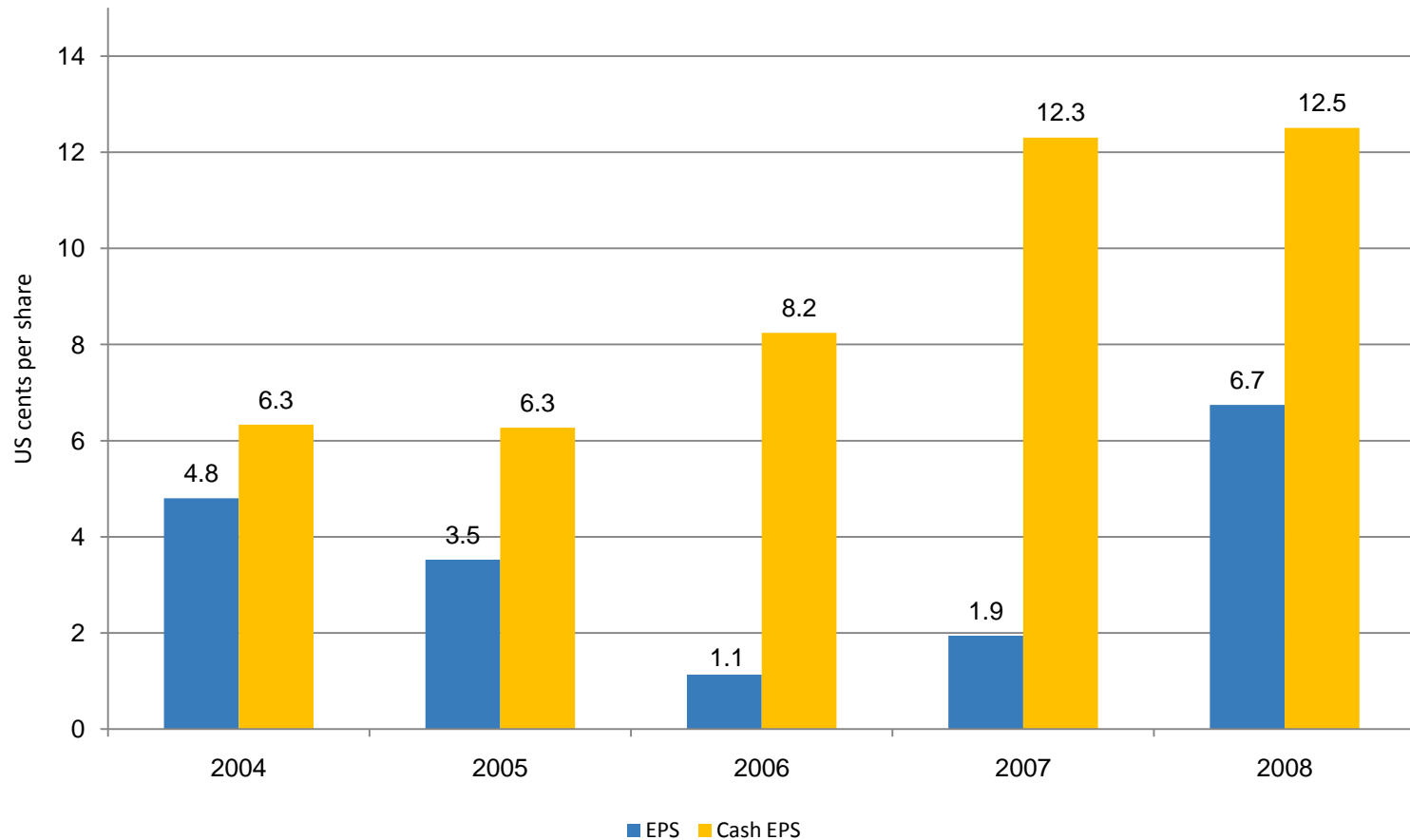
Capital expenditure amounted to USD 7.8 million or 2.2% of sales



EARNINGS PER SHARE & CASH EARNINGS PER SHARE



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FIVE YEAR COMPARISON 2004-2008



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Income statement	2004	2005	2006	2007	2008
Net sales	124.4	160.7	252.1	335.6	350.0
Gross profit	74.8	94.4	149.4	188.9	206.4
Other income	1.0	1.9	0.5	12.0	9.4
Sales and marketing	-26.8	-38.1	-67.6	-85.2	-90.0
Research and development	-9.0	-12.4	-17.9	-19.9	-20.9
General and administrative	-19.7	-24.8	-36.2	-56.1	-48.9
Restructuring expense		-4.4	-8.5		
Profit from operations	20.4	16.6	19.7	39.7	56.0
EBITDA	25.0	25.8	39.5	64.4	79.4
EBITDA adjusted		30.2	48.0	58.4	72.6
Growth:					
Sales growth	32%	29%	57%	33%	4%
GP growth	38%	26%	58%	26%	9%
Operational expense growth	15%	43%	63%	24%	-1%
Profit from operations growth	233%	-19%	19%	102%	41%
EBITDA growth	166%	3%	53%	63%	23%
Adjusted EBITDA growth			59%	22%	24%
Key ratios:					
GPM	60%	59%	59%	56%	59%
S&M ratio	22%	24%	27%	25%	26%
R&D ratio	7%	8%	7%	6%	6%
G&A ratio	16%	15%	14%	17%	14%
Expense ratio	45%	47%	48%	48%	43%
Profit from operations ratio	16%	10%	8%	12%	16%
EBITDA ratio	20%	16%	16%	19%	23%
Adjusted EBITDA ratio		19%	19%	17%	21%



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FINANCIALS: Q4 2008



INCOME STATEMENTS Q4 2008



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Income Statements (USD '000)	Q4 2008	% of sales	Q4 2007	% of sales	Change
Net sales	80,118	100.0%	84,870	100.0%	-5.6%
Cost of goods sold	(32,953)	-41.1%	(38,643)	-45.5%	-14.7%
Gross profit	47,165	58.9%	46,227	54.5%	2.0%
Other income	(49)	-0.1%	11,205	13.2%	-100.4%
Sales & marketing expenses	(21,017)	-26.2%	(21,150)	-24.9%	-0.6%
Research & development expenses	(5,027)	-6.3%	(5,180)	-6.1%	-3.0%
General & administrative expenses	(10,257)	-12.8%	(14,945)	-17.6%	-31.4%
Profit from operations	10,815	13.5%	16,157	19.0%	-33.1%
Financial income	639	0.8%	4,751	5.6%	-86.6%
Financial expenses	(6,608)	8.2%	(13,196)	-15.5%	-49.9%
Profit before tax	4,846	6.0%	7,712	9.1%	-37.2%
Income tax	(675)	-0.8%	(1,064)	-1.3%	-36.6%
Net profit	4,171	5.2%	6,648	7.8%	-37.3%
EBITDA	16,328	20.4%	22,731	26.8%	-28.2%
EBITDA adjusted*	16,847	21.0%	13,473	15.9%	25.1%

*Adjusted for one-time income and expenses



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TEAM OSSUR IN BEIJING 2008



11 GOLD • 6 SILVER • 4 BRONZE

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