



Life Without Limitations

Össur hf.



Financial overview 2003



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Financial highlights 2003

Sales 2003

Expenses 2003

Balance sheet 31.12.2003

Q4 financial highlights

GII Purchasing accounting



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Financial highlights 2003

The EBITDA "gap"



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EBITDA	10%
Unusual items	4%
= Normalized EBITDA	14%
R&D excess investment	3%
GPM slide	3%
= Targeted EBITDA	20%

Unusual items 2003



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- Severance & restructuring exp. 1.531.000 USD
 - Össur North America AV 723.000
 - Össur Engineering in Albion 28.000
 - Össur Engineering R&D in AV 299.000
 - Generation II USA in Seattle 204.000
 - Generation II Orthotics in Canada 106.000
 - Össur hf. 171.000
- Litigation expenses 2.200.000 USD
- DW relocation 280.000 USD
- Expensed acquisition process 300.000 USD
- Normalized EBITDA is 14%

Income statement by quarters 2003



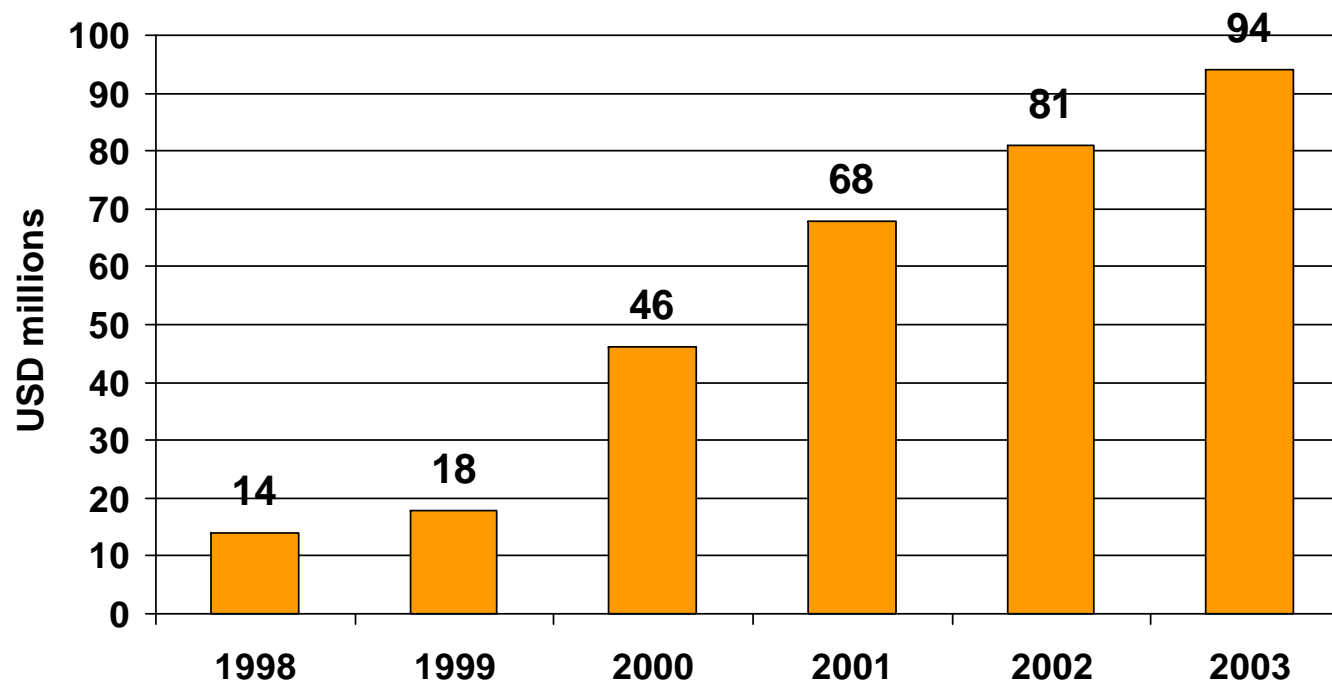
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USD	2003															
	Q1	%	Q2	%	Q3	%	Q4	%	Total	%	GII Q4	%	Total	%	Total	%
																Q4
Net sales	21.692	100,0%	22.726	100,0%	22.421	100,0%	21.751	100,0%	88.590	100,0%	5.877	100,0%	94.467	100,0%	27.628	100,0%
Cost of goods sold	-9.129	-42,1%	-9.019	-39,7%	-9.699	-43,3%	-9.845	-45,3%	-37.692	-42,5%	-2.540	-43,2%	-40.232	-42,6%	-12.385	-44,8%
Gross profit	12.563	57,9%	13.707	60,3%	12.722	56,7%	11.906	54,7%	50.898	57,5%	3.337	56,8%	54.235	57,4%	15.243	55,2%
Other income	82	0,4%	22	0,1%	40	0,2%	122	0,6%	266	0,3%		0,0%	266	0,3%	122	0,4%
Sales and marketing expenses	-4.872	-22,5%	-5.013	-22,1%	-4.080	-18,2%	-4.972	-22,9%	-18.937	-21,4%	-2.301	-39,2%	-21.238	-22,5%	-7.273	-26,3%
Research and development expenses ..	-2.257	-10,4%	-2.595	-11,4%	-1.990	-8,9%	-2.535	-11,7%	-9.377	-10,6%	-215	-3,7%	-9.592	-10,2%	-2.750	-10,0%
General and administrative expenses ...	-3.546	-16,3%	-3.572	-15,7%	-3.750	-16,7%	-5.129	-23,6%	-15.997	-18,1%	-1.562	-26,6%	-17.559	-18,6%	-6.691	-24,2%
Profit from operations	1.970	9,1%	2.549	11,2%	2.942	13,1%	-608	-2,8%	6.853	7,7%	-741	-12,6%	6.112	6,5%	-1.349	-4,9%
Interest income/(expenses)	-126	-0,6%	-247	-1,1%	-114	-0,5%	-14	-0,1%	-501	-0,6%	94	1,6%	-407	-0,4%	80	0,3%
Income from associates	0	0,0%	0	0,0%	0	0,0%	0	0,0%	0	0,0%		0,0%	0	0,0%	0	0,0%
Profit before tax	1.844	8,5%	2.302	10,1%	2.828	12,6%	-622	-2,9%	6.352	7,2%	-647	-11,0%	5.705	6,0%	-1.269	-4,6%
Income tax	-440	-2,0%	-394	-1,7%	-562	-2,5%	343	1,6%	-1.053	-1,2%	9	0,2%	-1.044	-1,1%	352	1,3%
Net profit for the period	1.404	6,5%	1.908	8,4%	2.266	10,1%	-279	-1,3%	5.299	6,0%	-638	-10,9%	4.661	4,9%	-917	-3,3%
EBITDA	2.642	12,2%	3.206	14,1%	3.658	16,3%	420	1,9%	9.926	11,2%	-498	-8,5%	9.428	10,0%	-78	-0,3%

Net sales 1998 - 2003



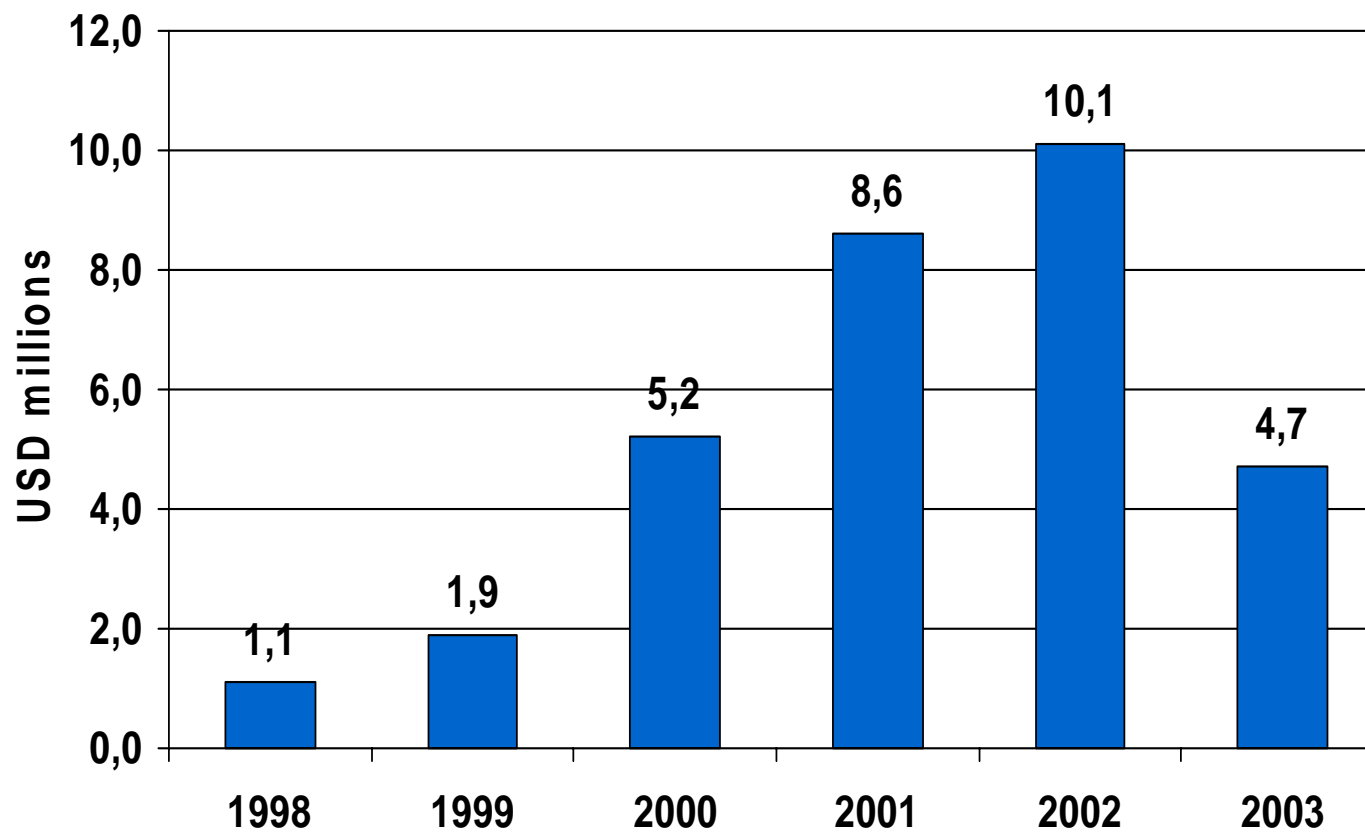
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Net profit 1998 - 2003



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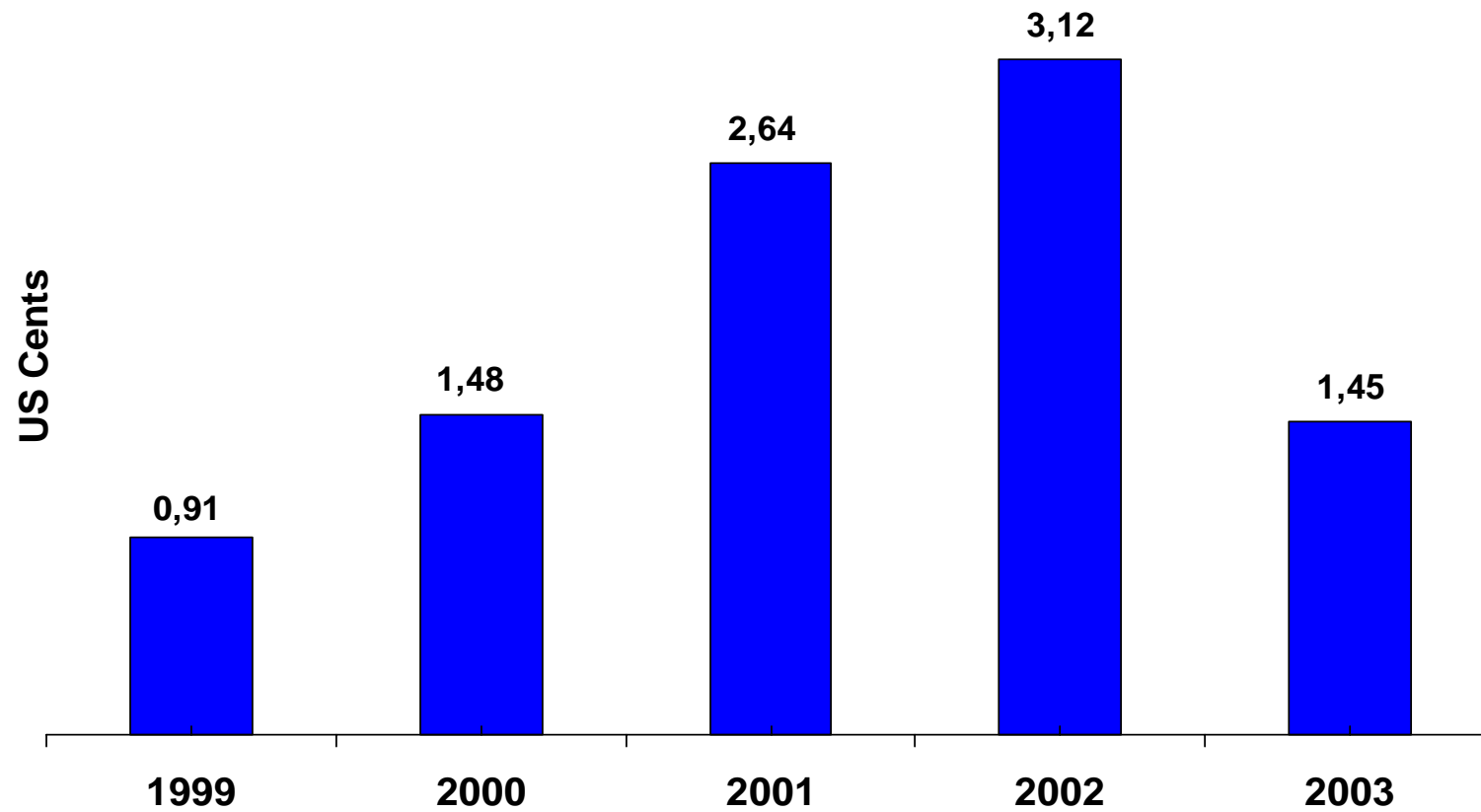


Note: Unusual expenses 2003 4,3 million USD

EPS 1999 - 2003



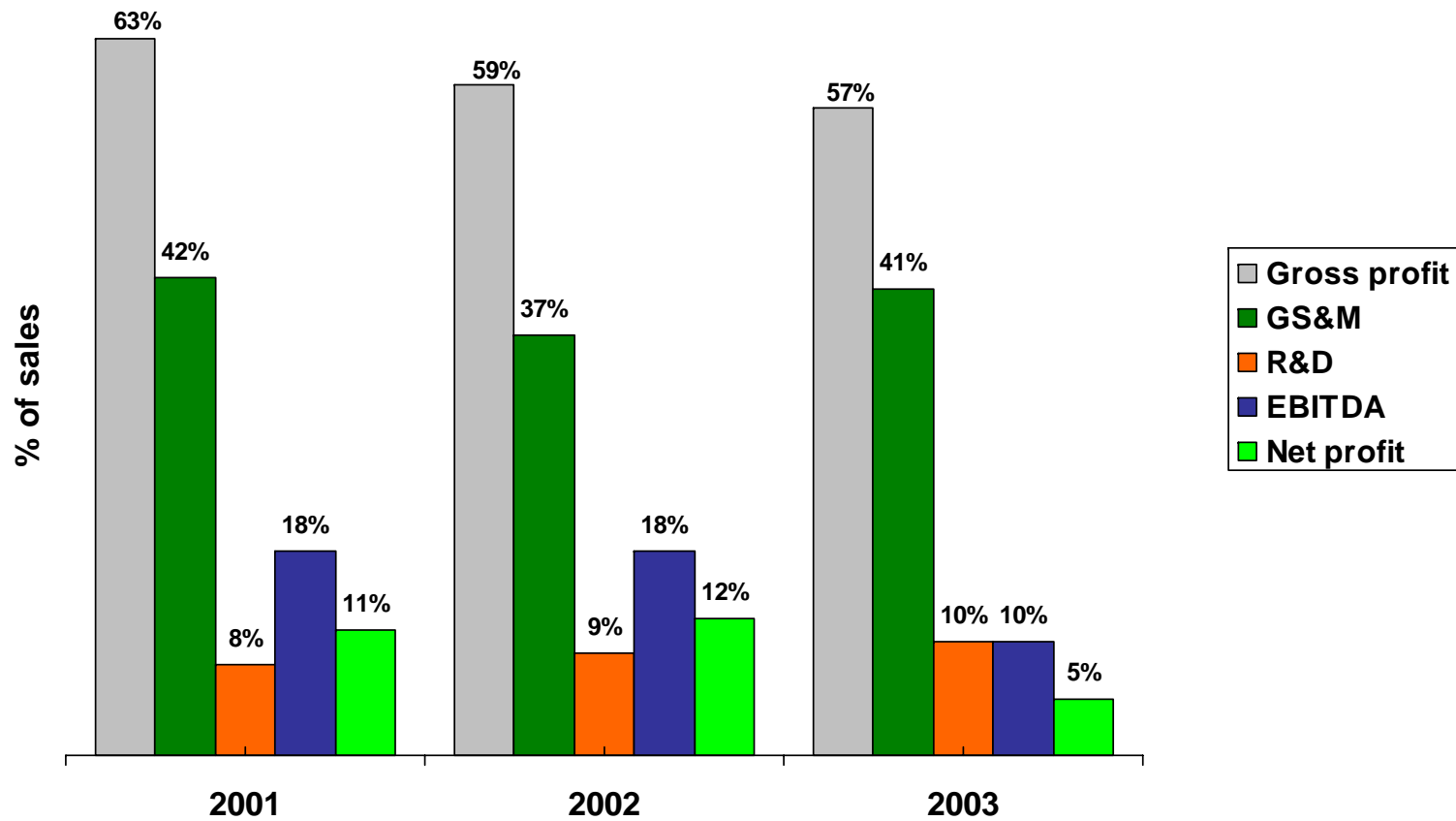
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Key ratios 2001-2003



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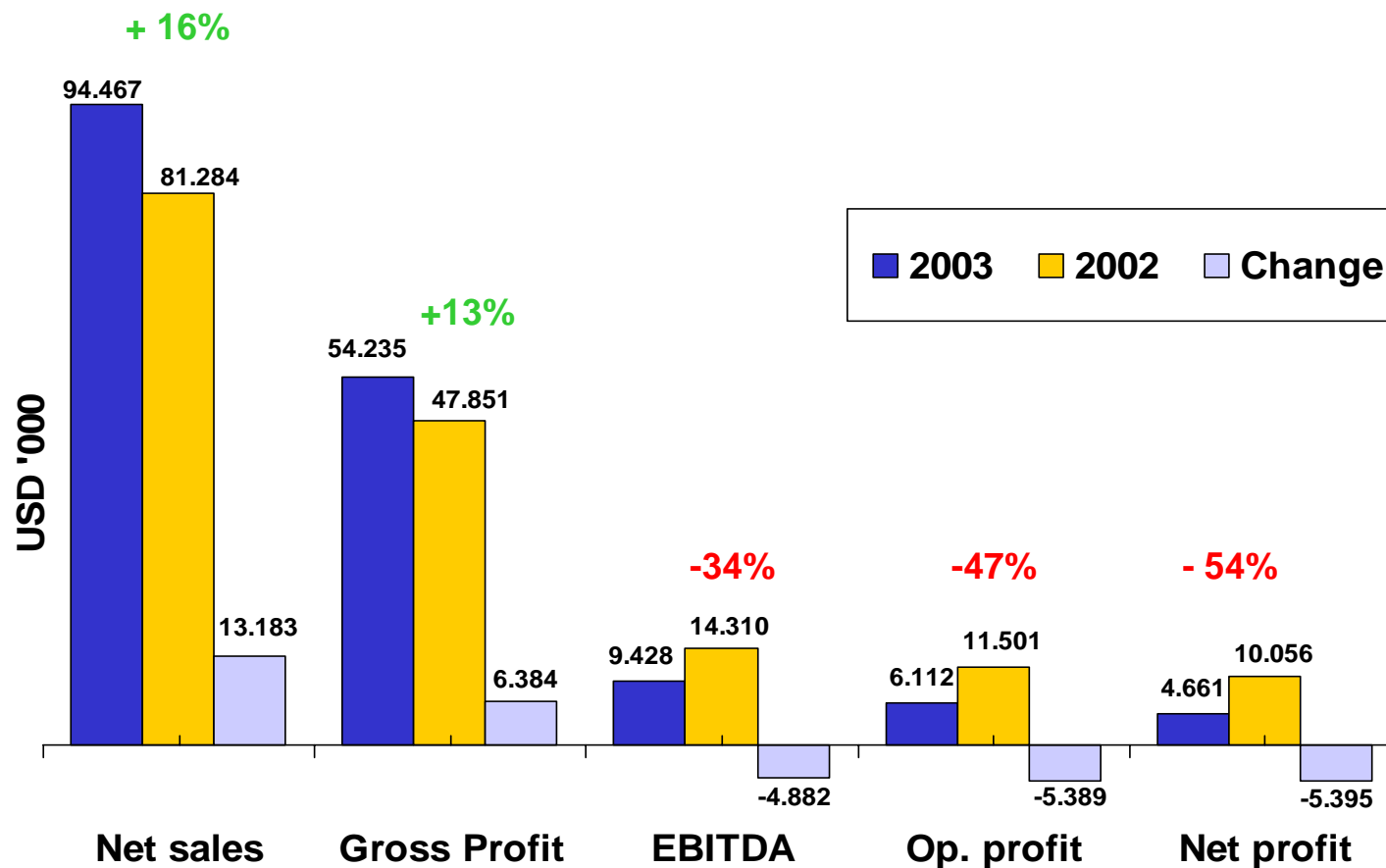


Note: Unusual expenses 2003 GPM= +0,5%, SG&A = -3,4%, R&D = -0,7%

Key ratios 2003 / 2002



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Note: Unusual expenses 2003 4,3 million USD



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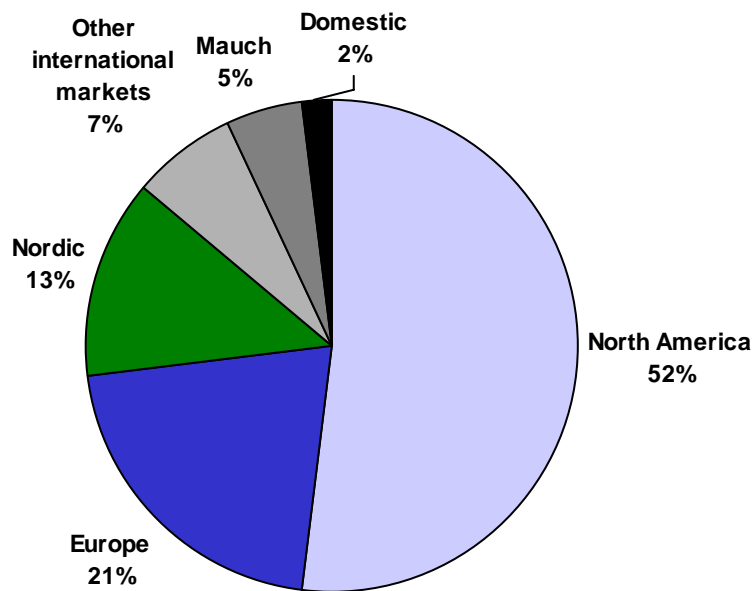
Sales 2003

Sales by markets

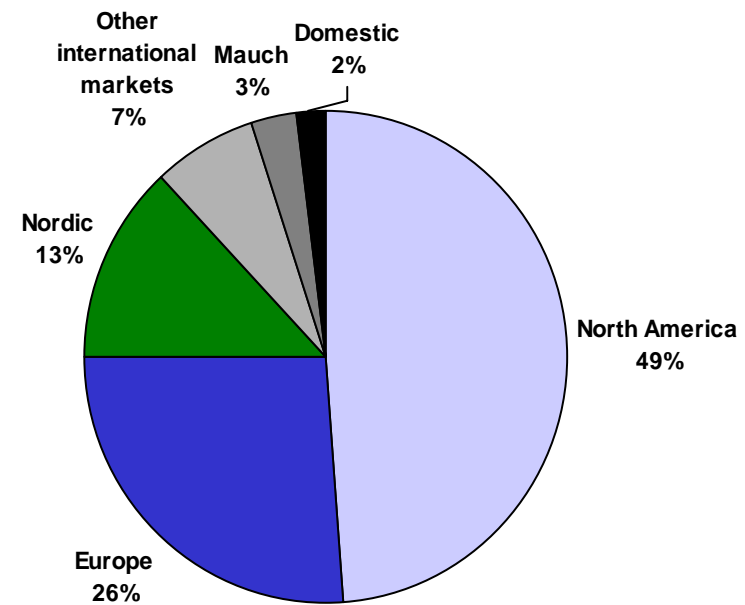


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2002



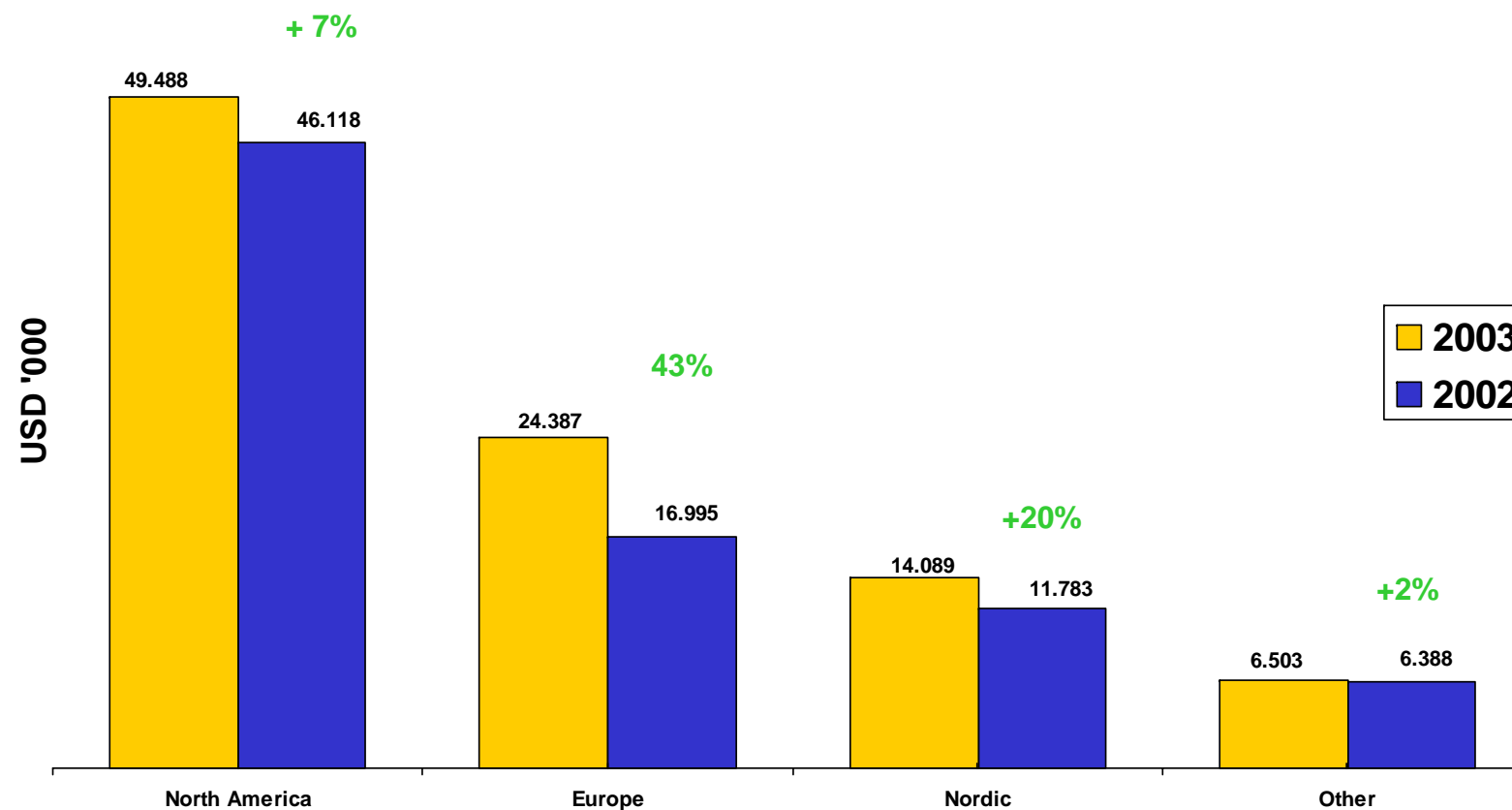
2003



Sales by markets 2003



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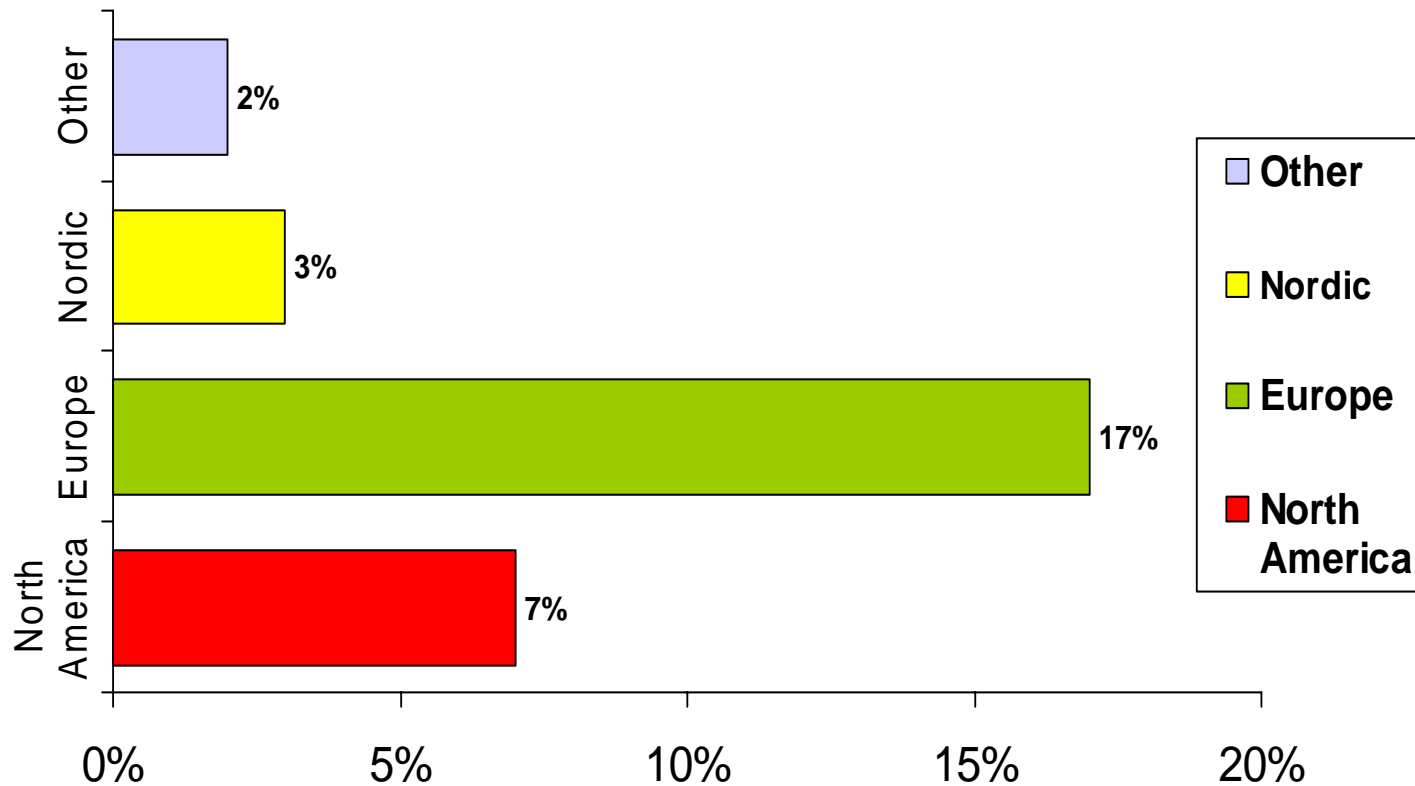


Generation II was acquired October 3rd. 2003. GII sales in 2003 were 5.2 million in North America and 0,7 million in Europe.

Sales growth 2003 in local currency



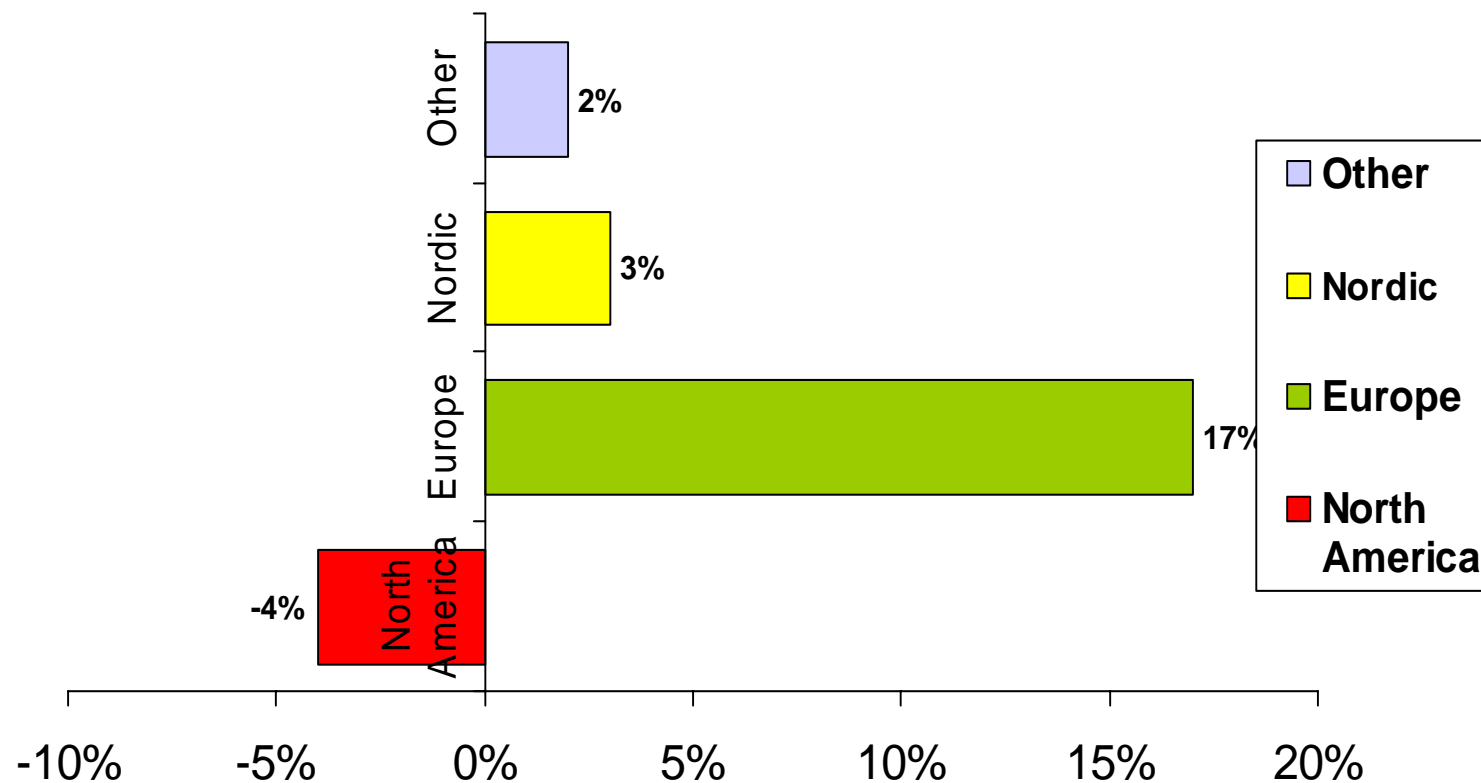
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Sales growth 2003 (excluding GII) in local currency



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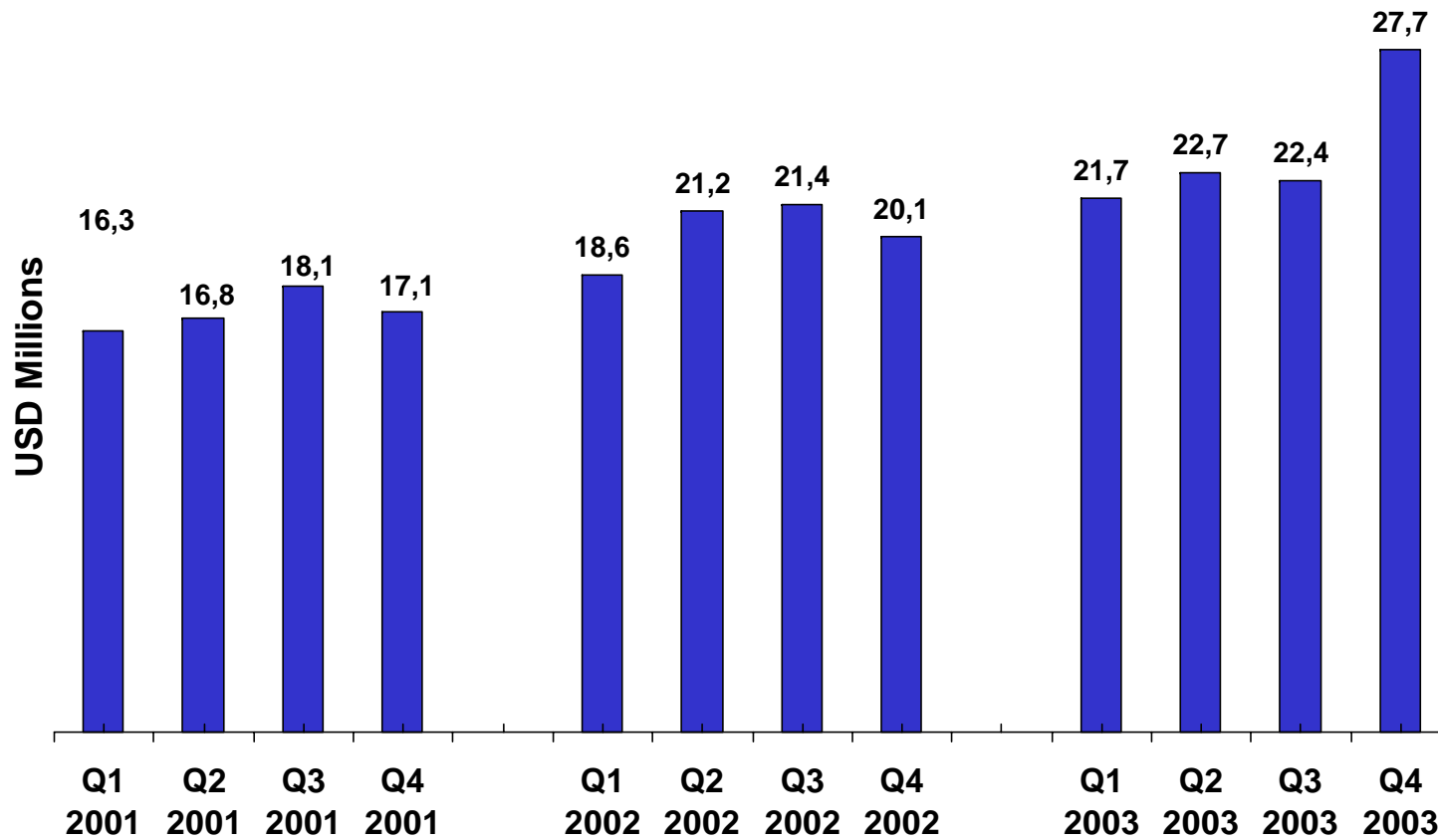


Excluding Generation II sales of 5,9 million USD. Generation II was acquired October 3rd. 2003.

Net sales 2001-2003



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GII sales Q4 2003 is 5,9 million USD



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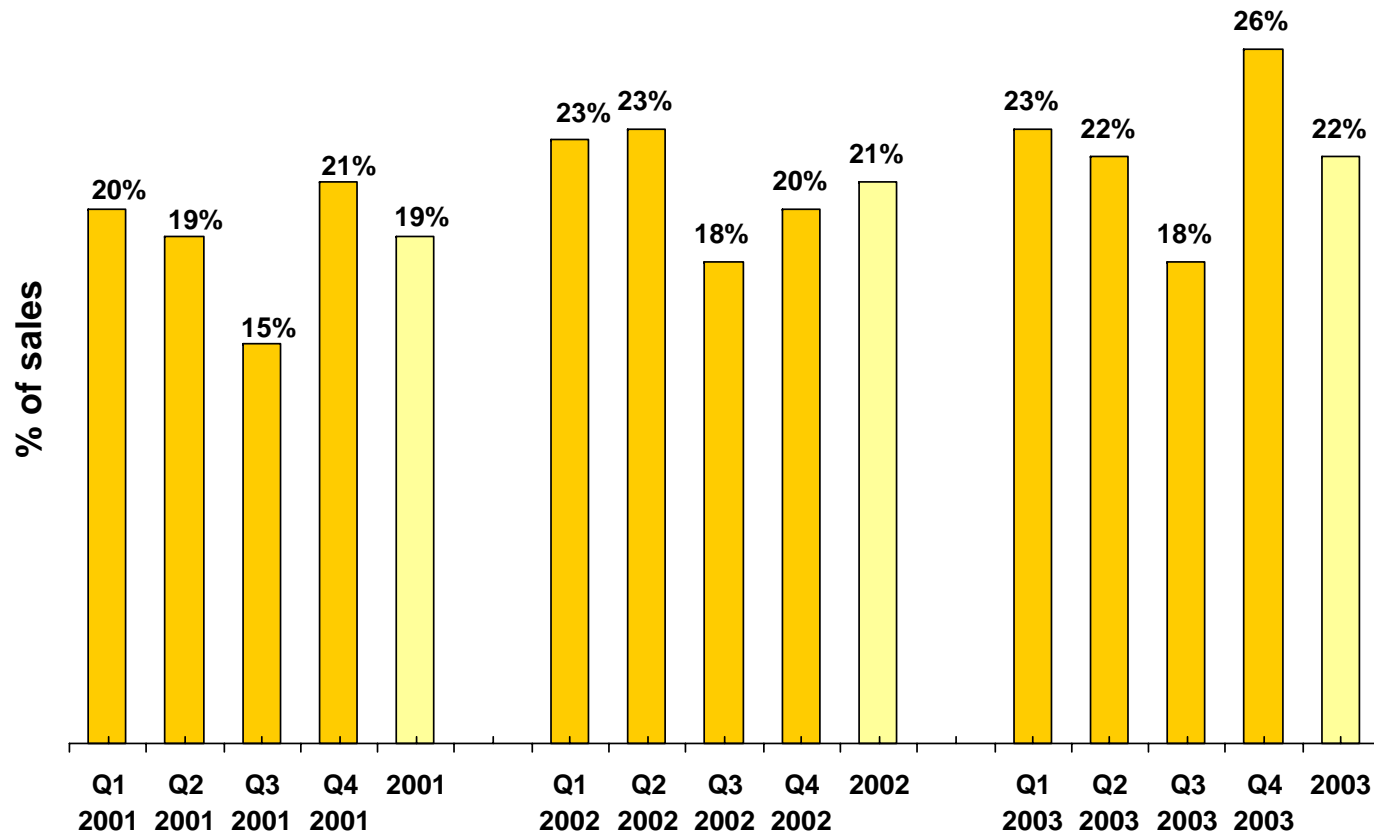


Expenses 2003

S&M 2001-2003



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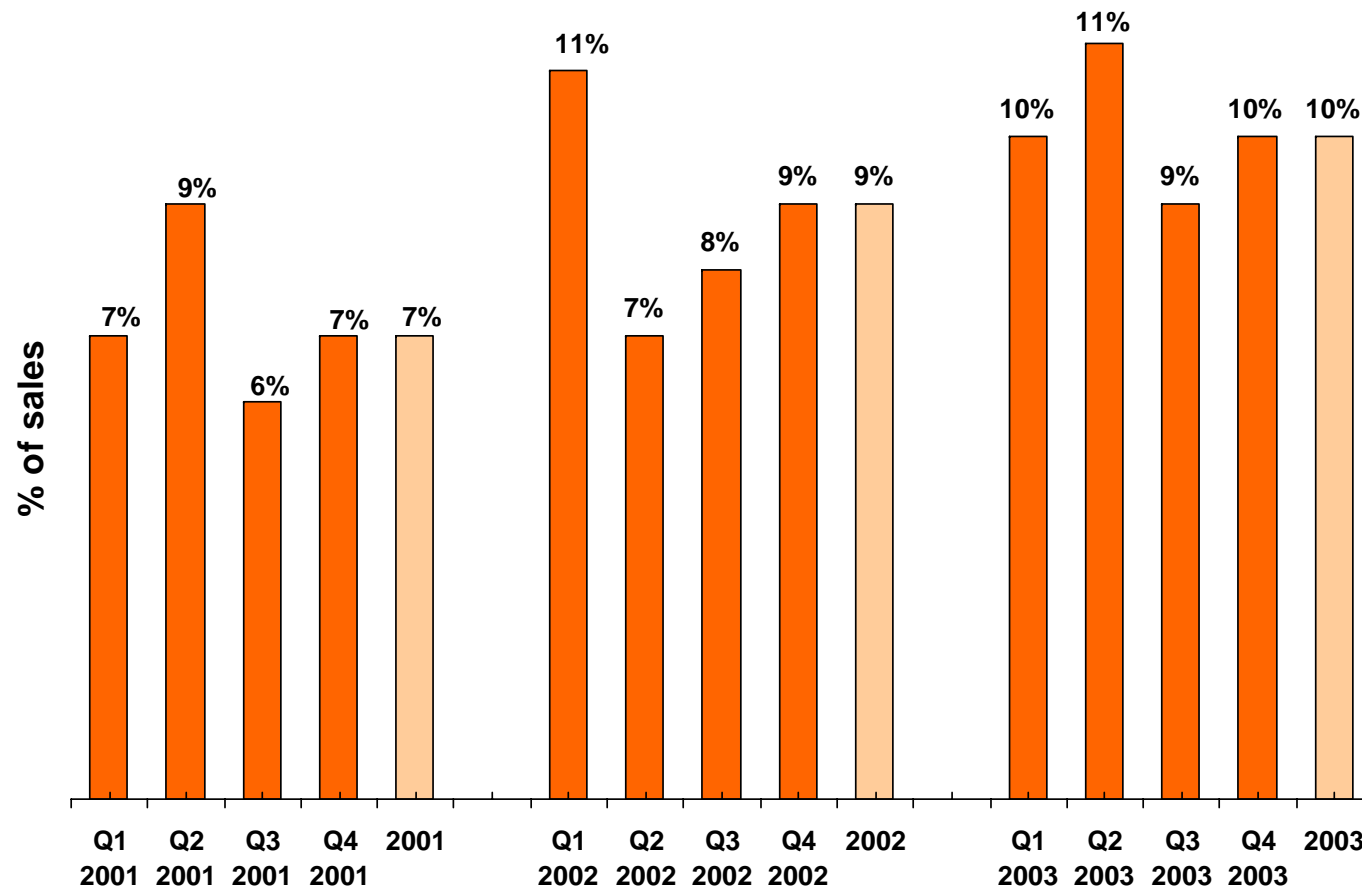


Note: Unusual S&M expenses is 0,5% in 2003

R&D 2001-2003



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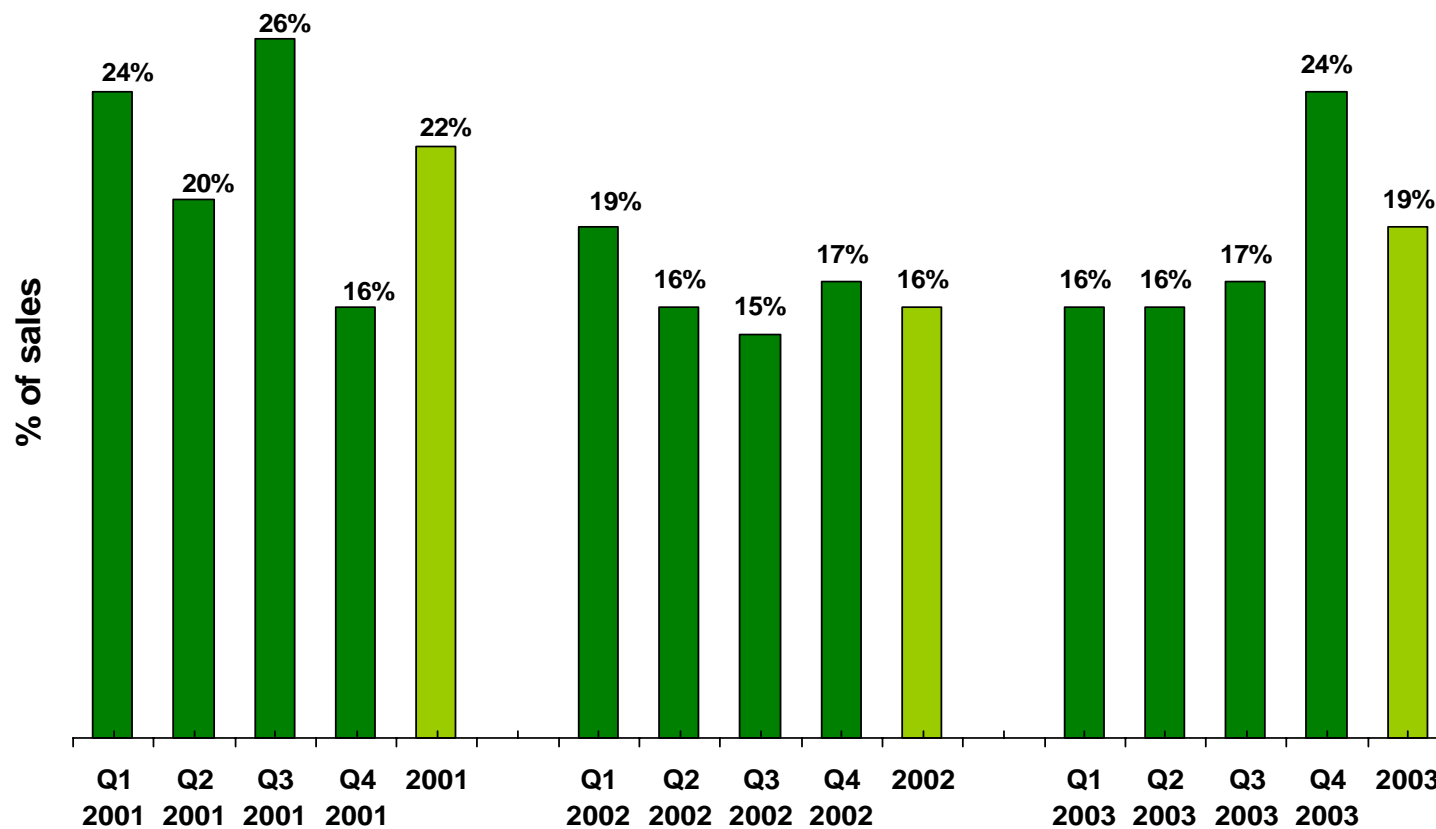


Note: Unusual R&D expenses 2003 is 0,7%

G&A 2001-2003



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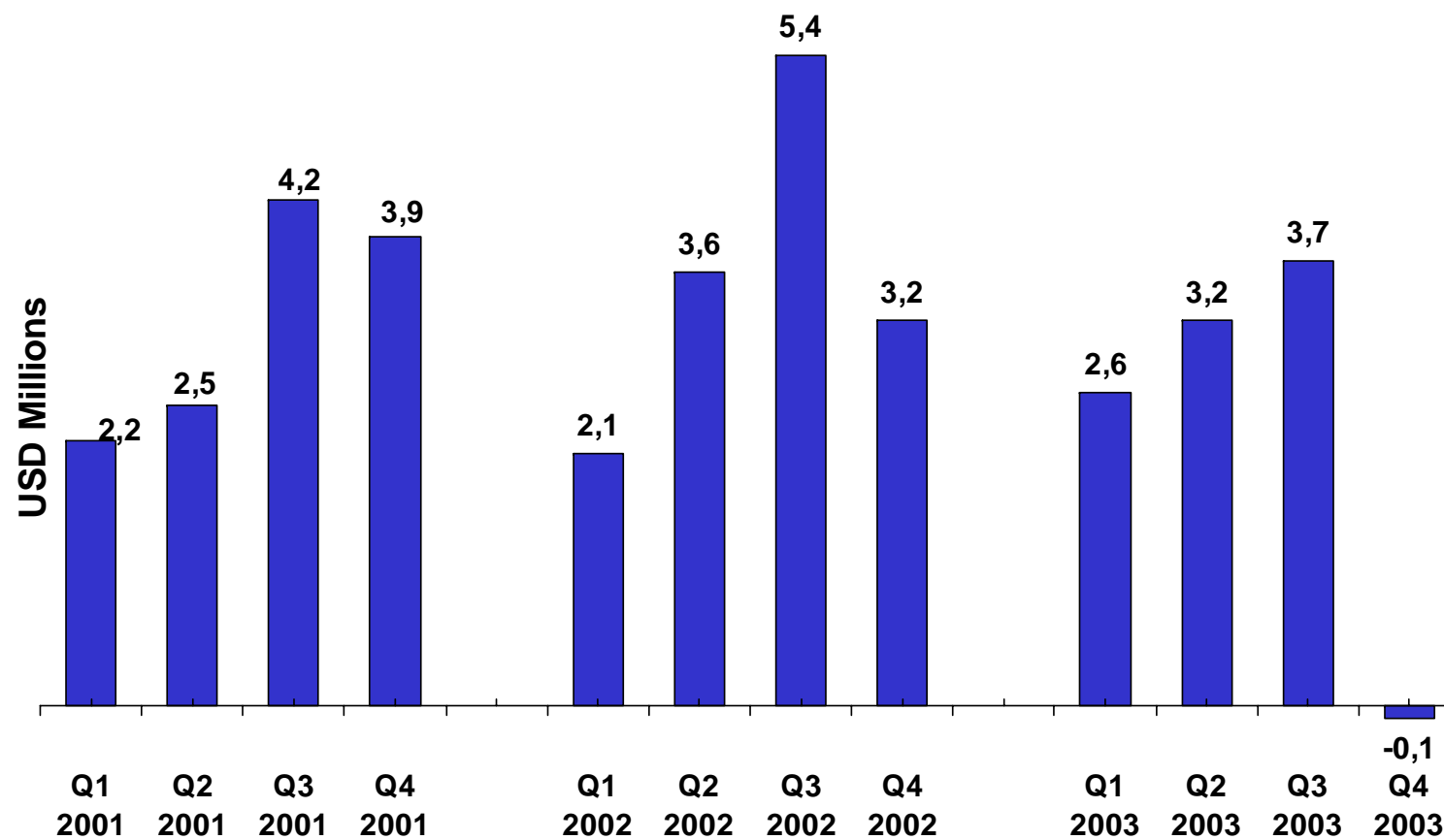


Note: Unusual G&A expenses 2003 2,9% in 2003

EBITDA by Q 2001-2003



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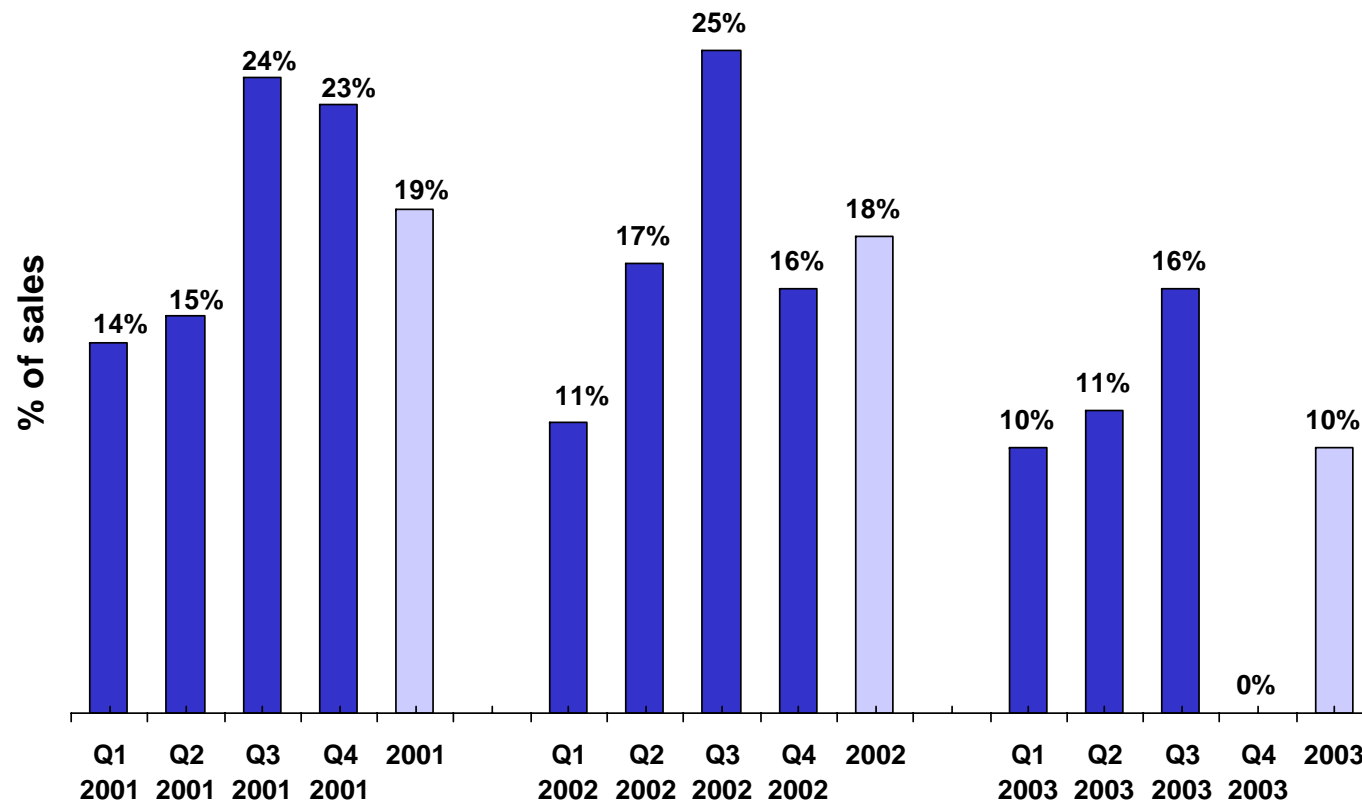


Note: Q4 unusual expenses 2.5 million USD

EBITDA ratio



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Balance sheet 31.12.2003

Balance sheet



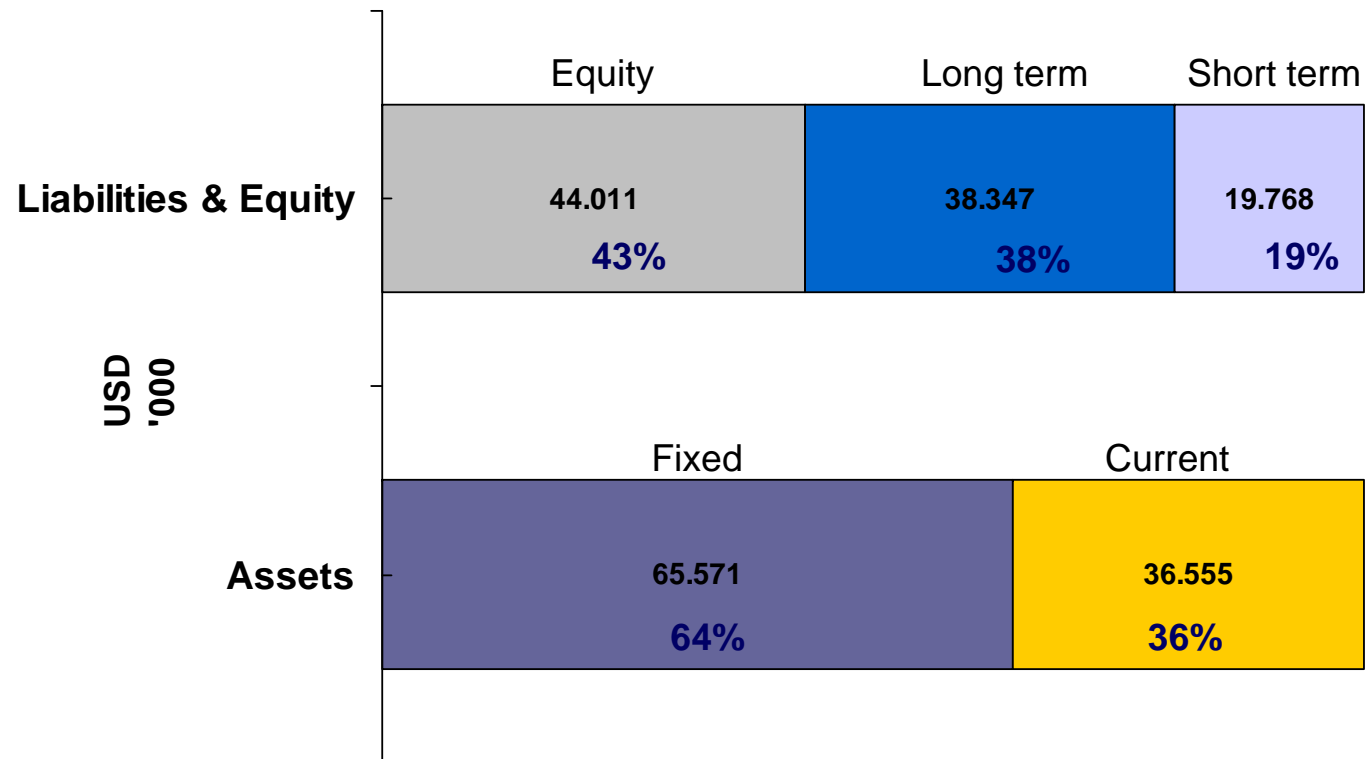
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	2003	2002
Equity ratio	43%	56%
Current ratio	1.8	2.3

Balance sheet 31. Dec 2003



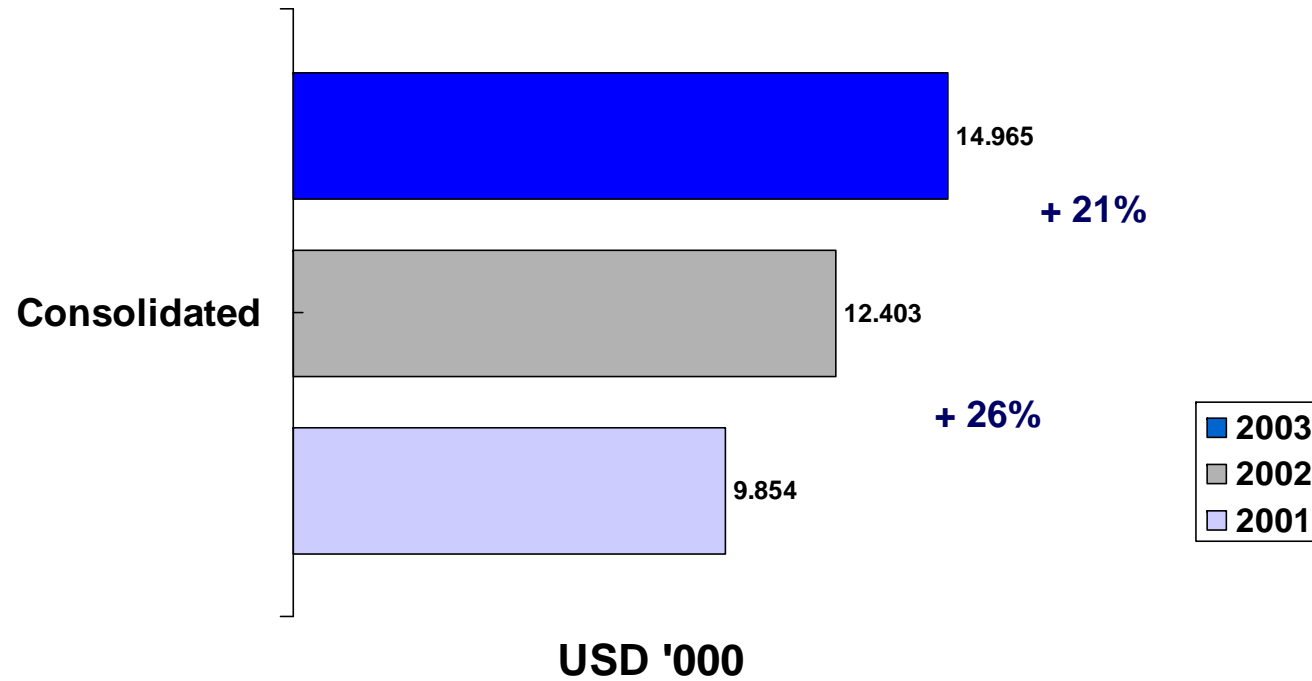
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A/R 30. Dec 2001-2003



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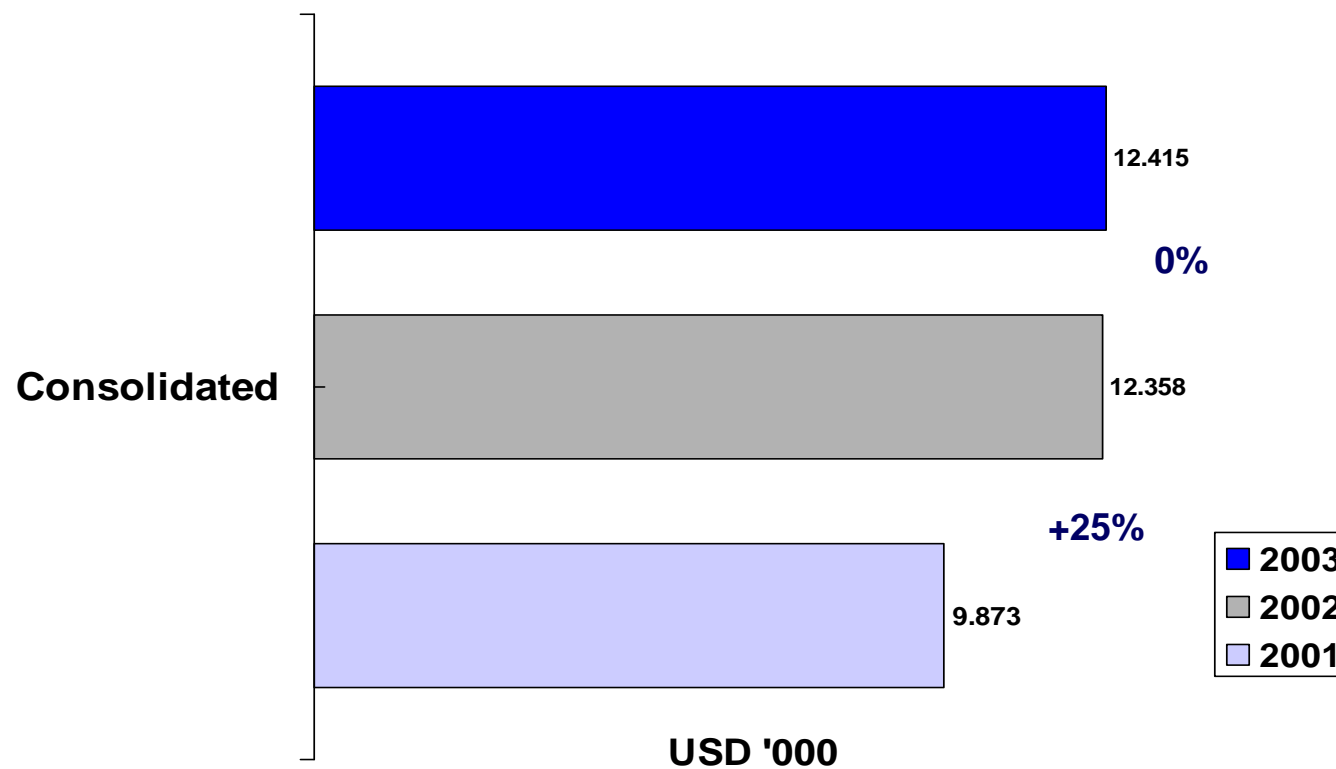


Note: GII A/R are 3,3 million USD. Decrease in Ossur receivables is 6%.

Inventories 30. Sept 2001-2003



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Note: GII Inventories are 1,6 million USD. Decrease in Ossur inventories is 12%.



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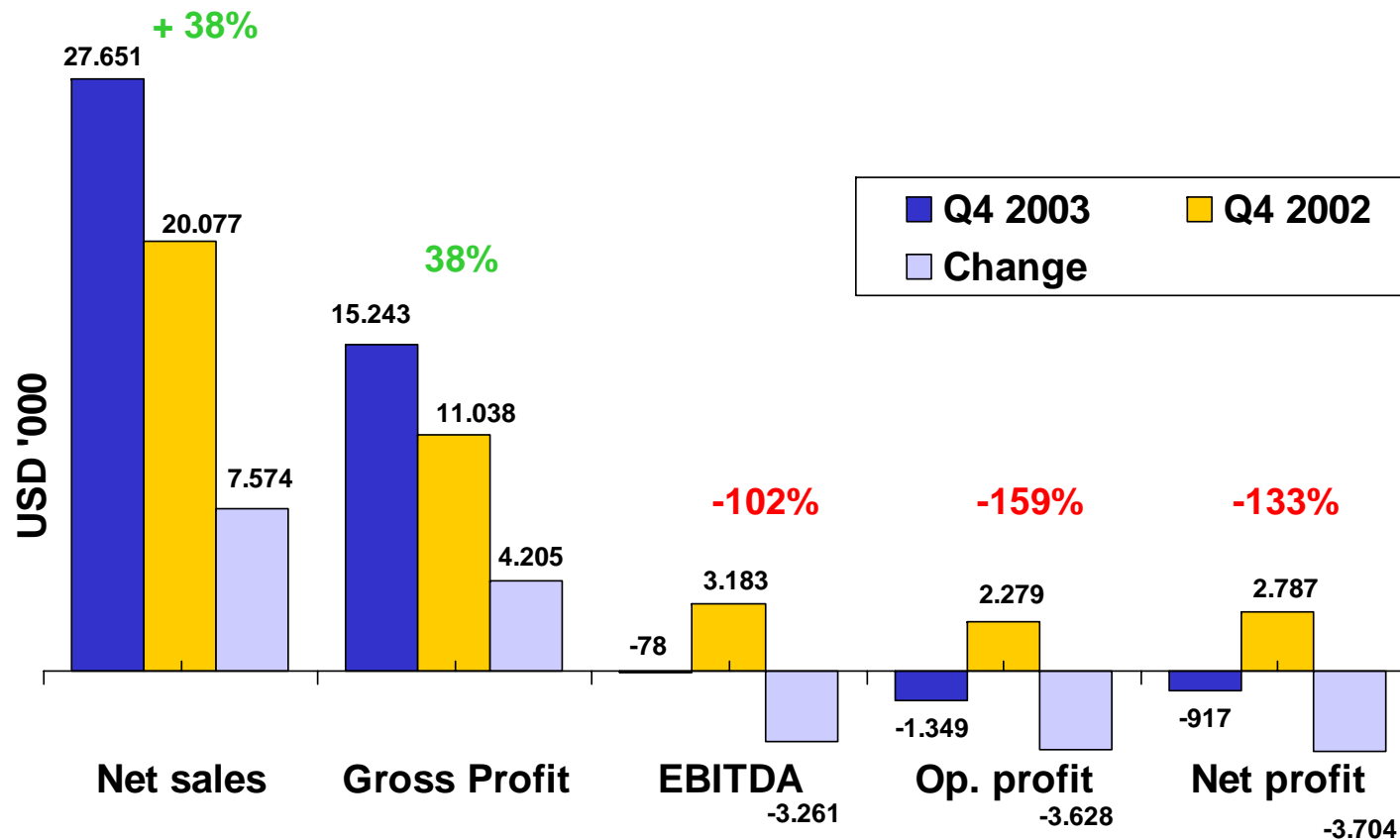


Q4 financial highlights

Key ratios Q4 2003 / 2002



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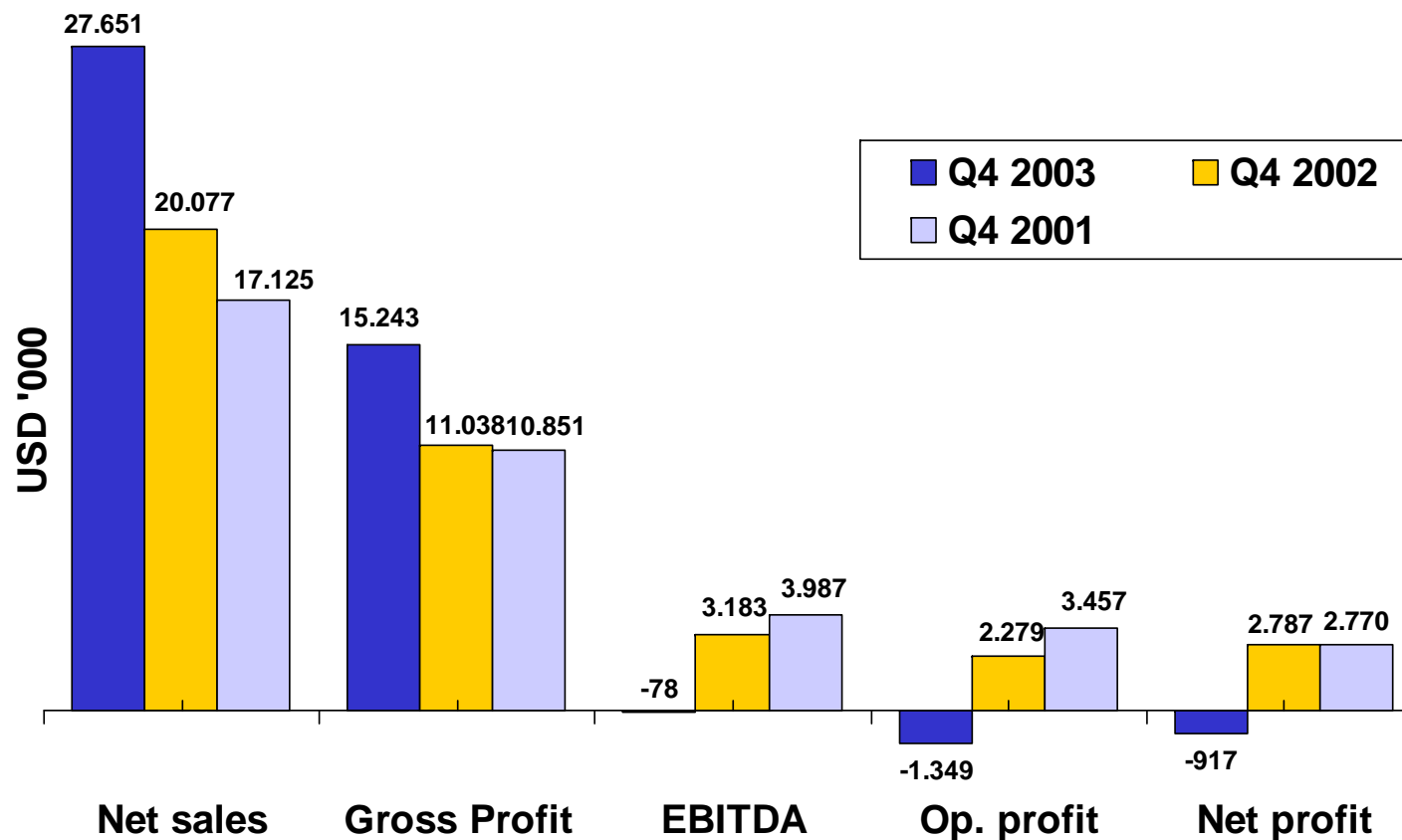


Note: Unusual expenses 2.5 million USD in Q4 2003

Key ratios Q4 2001 - 2003



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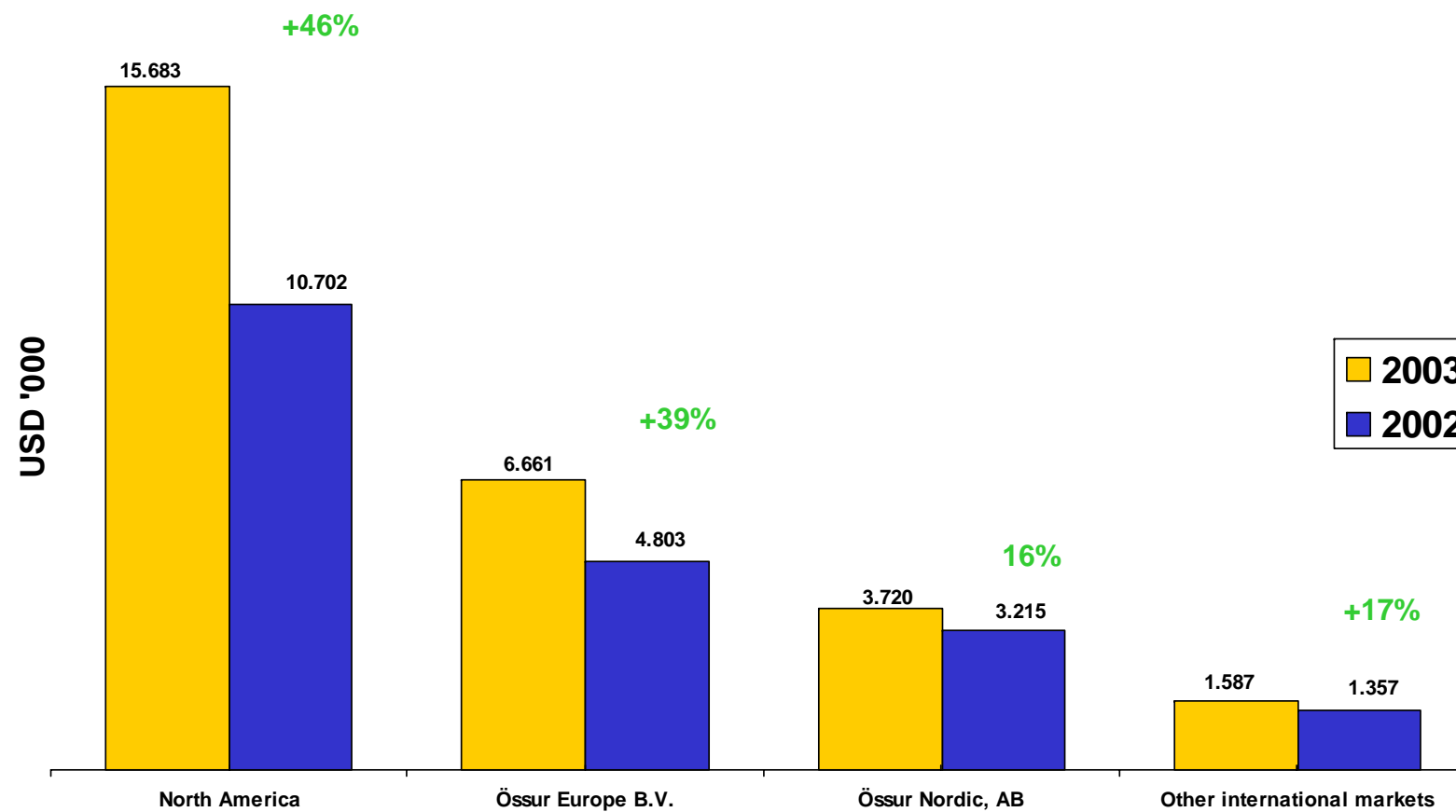


Note: Unusual expenses 2.5 million USD in Q4 2003

Sales by markets Q4 2003 / 2002



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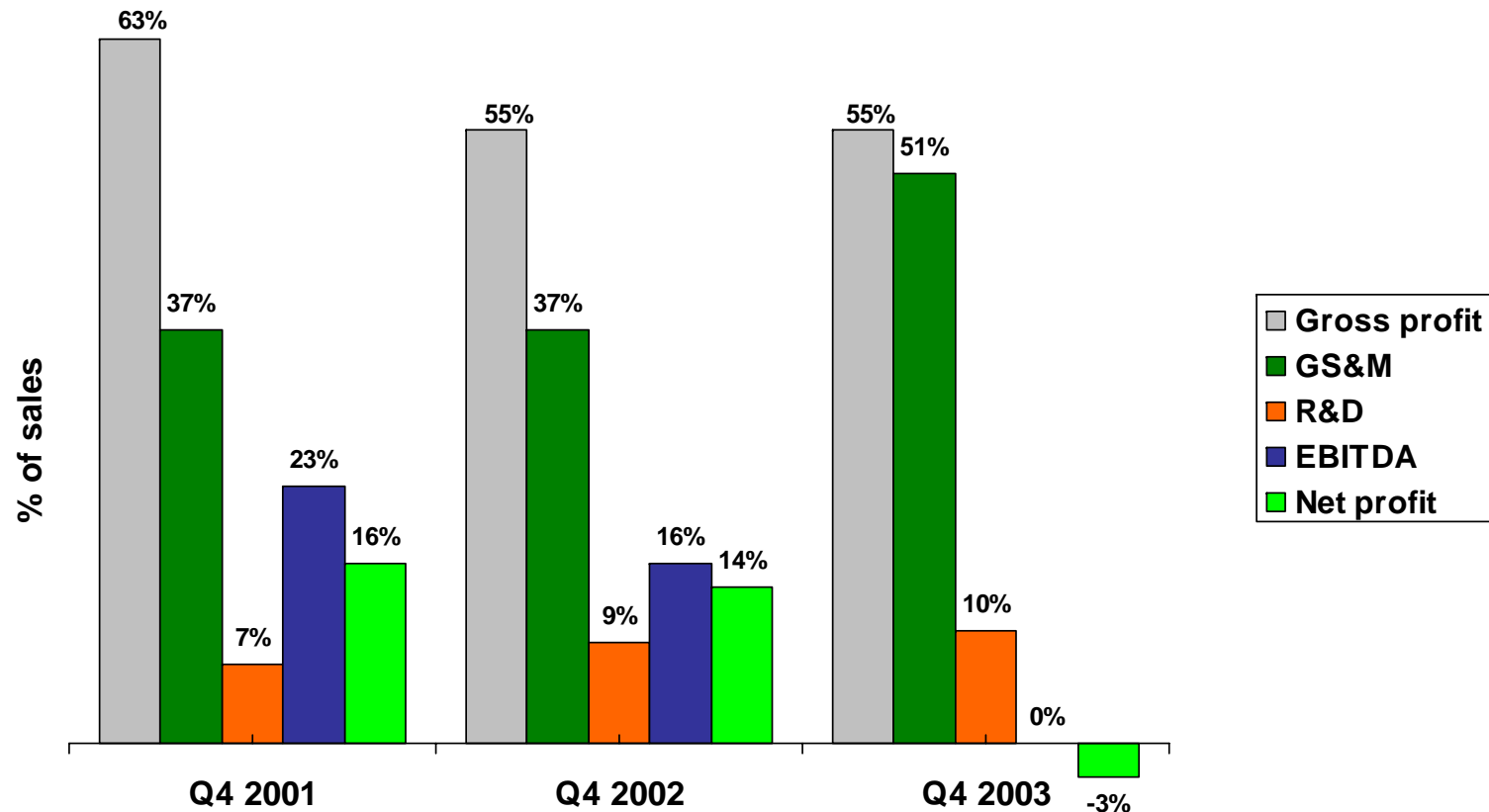


Note: GII sales in Q4 were 5.2 million in North America and 0,7 million in Europe.

Key ratios Q4 2001-2003



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Note: Unusual expenses 2003 GPM= +0,6%, SG&A = -7,4%, R&D = -0,8%



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GII Purchasing accounting

GII purchasing accounting



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Operating fixed assets	2,521,000 USD
Liabilities	- 2,171,000 USD
Working capital	5,000,000 USD
Intangible assets (amortized)	4,444,000 USD
Goodwill (impairment test)	22,801,000 USD
TOTAL	32,595,000 USD





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Thank you !