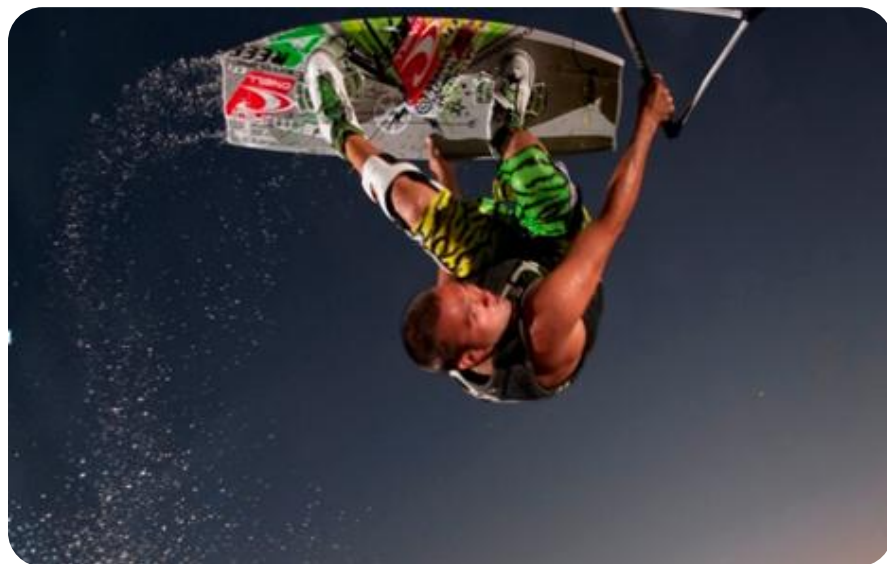






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ÖSSUR HF.
JÓN SIGURÐSSON
President & CEO



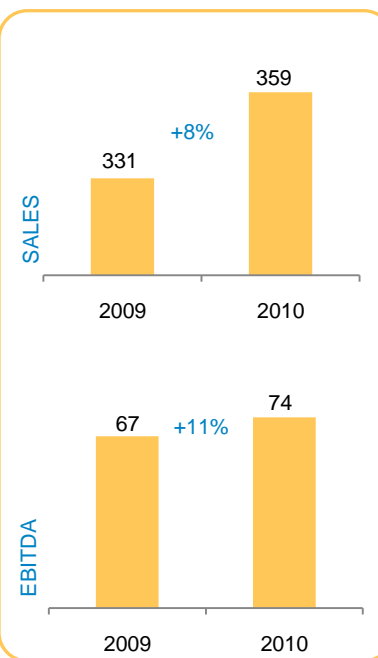
HIGHLIGHTS FULL YEAR 2010



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2010 HIGHLIGHTS

- Excellent sales growth
- Success of Bionic products
- Strong product pipeline
- Expanding sales platform in Americas
- Mexico facility operational

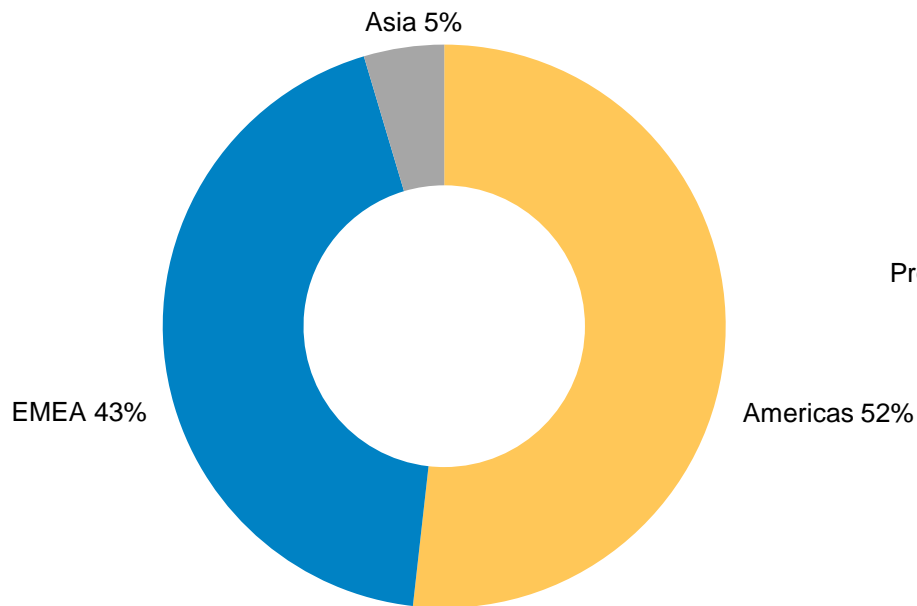


SALES SPLIT 2010

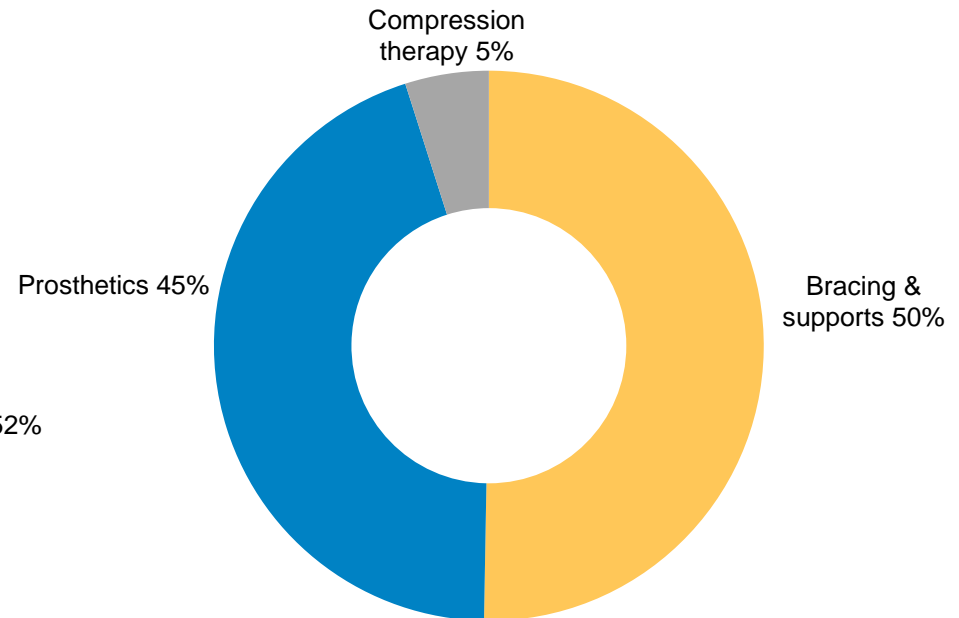


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BY REGION



BY SEGMENT



Sales

USD 95 m

Excellent sales growth

- Overall 10% growth, LCY
- Strong growth in Prosthetics, 6% LCY
- Excellent quarter in B&S, 16% LCY

Operations

EBITDA USD 18 m

Stable Margins

- Gross profit margin 62%
- EBITDA margin 19%

Highlights

Key Highlights

- Strong growth in B&S in Americas
- Continued success of Bionics
- Investments in distribution channels

AMERICAS Q4 2010 – EXCELLENT GROWTH



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Americas 52% of total sales

- Sales growth 19%
- B&S
 - Investments in distribution channels
 - New product launches contributing
- Prosthetics
 - PROPRIO in line with expectations

Note: All growth numbers in local currency including investments





EMEA 43% of total sales

- Sales growth 1%
- B&S
 - New products not contributing as expected
- Prosthetics
 - In line with market growth
- Compression therapy 3% decline

Note: All growth numbers in local currency including investments

ASIA Q4 2010 – EXCELLENT QUARTER



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Asia 5% of total sales

- Sales growth 16%
- B&S
 - Slow quarter
- Prosthetics
 - Excellent growth
- Growth affected by timing of orders

Note: All growth numbers in local currency



SALES GROWTH BY SEGMENTS Q4 2010



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| Sales by region / segments | Growth USD | Growth LCY | Organic growth LCY * |
|----------------------------|------------|------------|----------------------|
| Americas | 19% | 19% | 6% |
| EMEA | -5% | 1% | 0% |
| Asia | 18% | 16% | 16% |
| Total | 8% | 10% | 4% |
| Prosthetics | 4% | 6% | 6% |
| Bracing and supports | 14% | 16% | 3% |
| Compression therapy | -11% | -3% | -3% |
| Total | 8% | 10% | 4% |

* Excluding acquired entities

STRONG PRODUCT PIPELINE IN PROSTHETICS



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Iceross
Comfort Cushion



Iceross
Dermo Cushion



Iceross
Synergy Cushion



Talux Sandal Toe



PROPRIO FOOT
with EVO



Flex-Foot Balance



Total Knee 1100



Total Knee 2100



Iceross Comfort Wave



Iceross Junior



Q4 2010

Iceross
Activa



Re-Flex Rotate with EVO



Major product launch: Proprio

STRONG PRODUCT PIPELINE IN B&S



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Unloader One



Miami Lumbar
TLSO



ReSolve
Halo Vest



Formfit 45



Miami Lumbar belt



Rebound Walker



Innovator DLX



Techform



Miami J Advanced

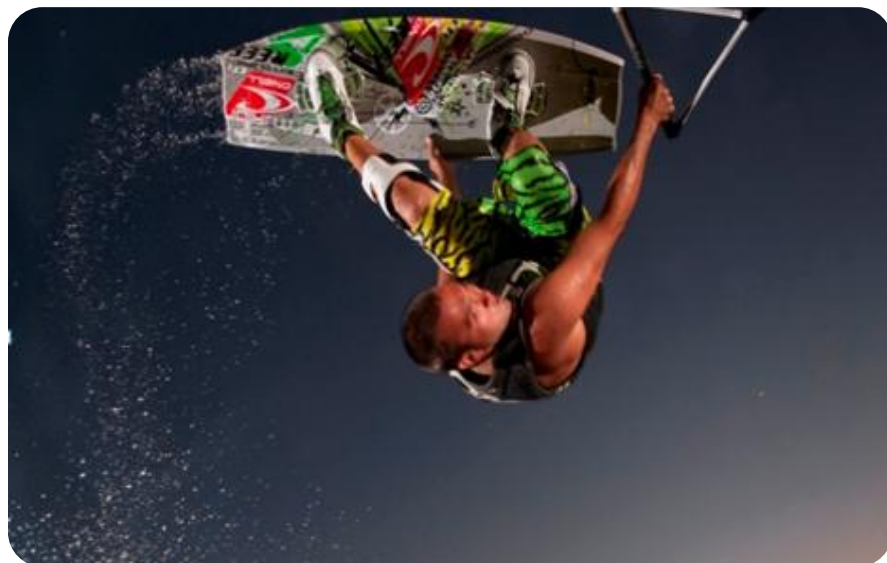


Q4 2010

Rebound Walker Low Top



Major product launches: Miami Lumbar, Rebound Walker, Unloader One



FINANCIAL HIGHLIGHTS Q4 2010



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- Excellent sales growth
- Moderate organic growth
- Healthy profits

INCOME STATEMENTS Q4 2010



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| Income Statements (USD millions) | Q4 2010 | % of sales | Q4 2009 | % of sales | Change | % change |
|----------------------------------|---------|------------|---------|------------|--------|----------|
| Net sales | 94.6 | 100.0% | 87.9 | 100.0% | 6.7 | 7.6% |
| Gross profit | 58.5 | 61.9% | 53.0 | 60.3% | 5.5 | 10.4% |
| Operating expenses | -44.2 | -46.7% | -39.3 | -44.7% | -4.9 | 12.5% |
| Profit from operations | 14.4 | 15.2% | 13.7 | 15.6% | 0.7 | 5.1% |
| Financial income / (expenses) | -3.0 | -3.2% | -3.2 | -3.7% | 0.2 | -5.6% |
| Net profit | 8.1 | 8.5% | 8.1 | 9.2% | 0.0 | 0.0% |
| EBITDA | 17.9 | 18.9% | 17.8 | 20.3% | 0.1 | 0.6% |
| EBITDA adjusted* | 18.6 | 19.7% | 17.8 | 20.3% | 0.8 | 4.5% |

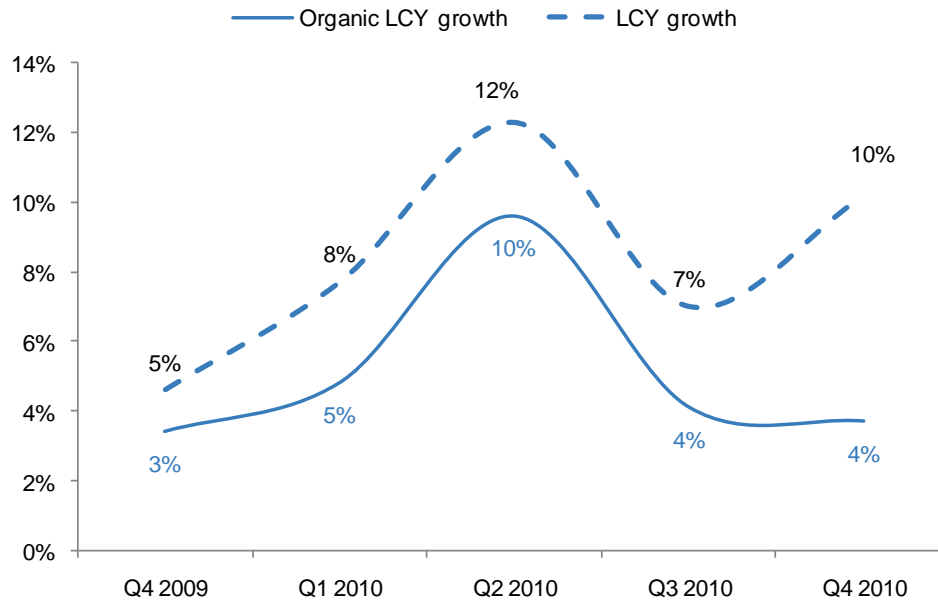
*Adjusted for one-time items:

| USD m | Gains | Expenses | Net effect |
|---------|-------|----------|------------|
| Q4 2010 | 0 | 0.7 | 0.7 |
| Q4 2009 | 0 | 0 | 0 |

SALES – MODERATE ORGANIC GROWTH



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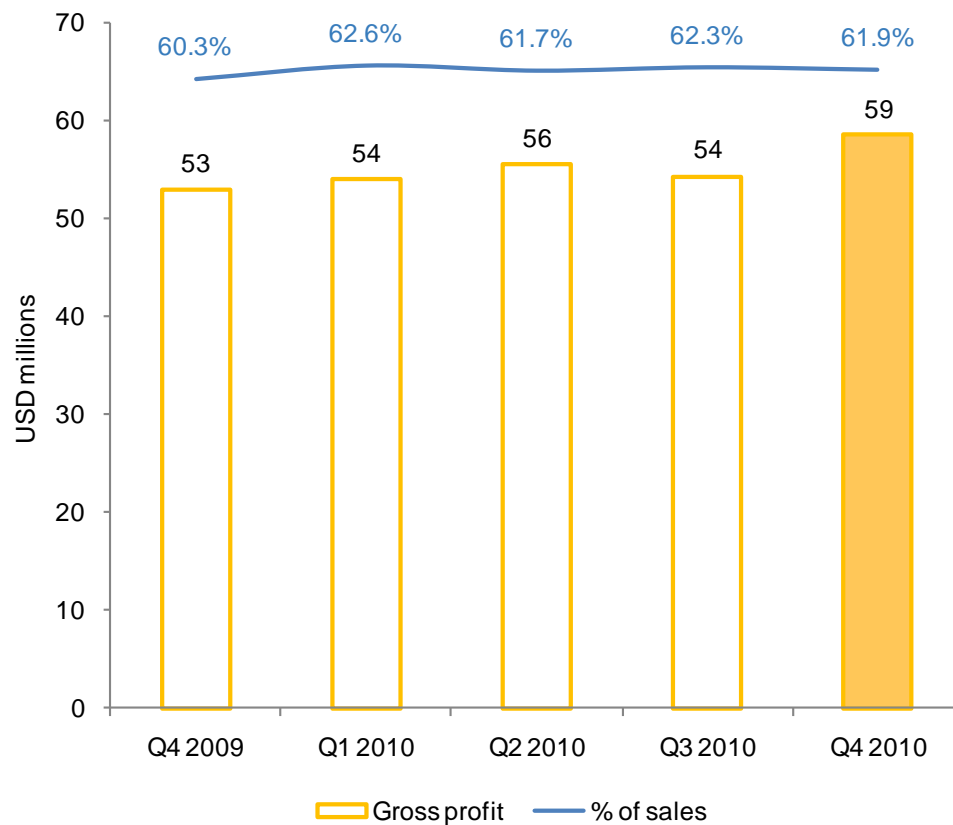
Note: Organic LCY growth excludes acquisitions

- Overall sales growth 10% LCY
 - Investment in distribution channel
- Organic sales growth 4% LCY
 - In line with market growth

GROSS PROFIT – CONSISTENT PERFORMANCE



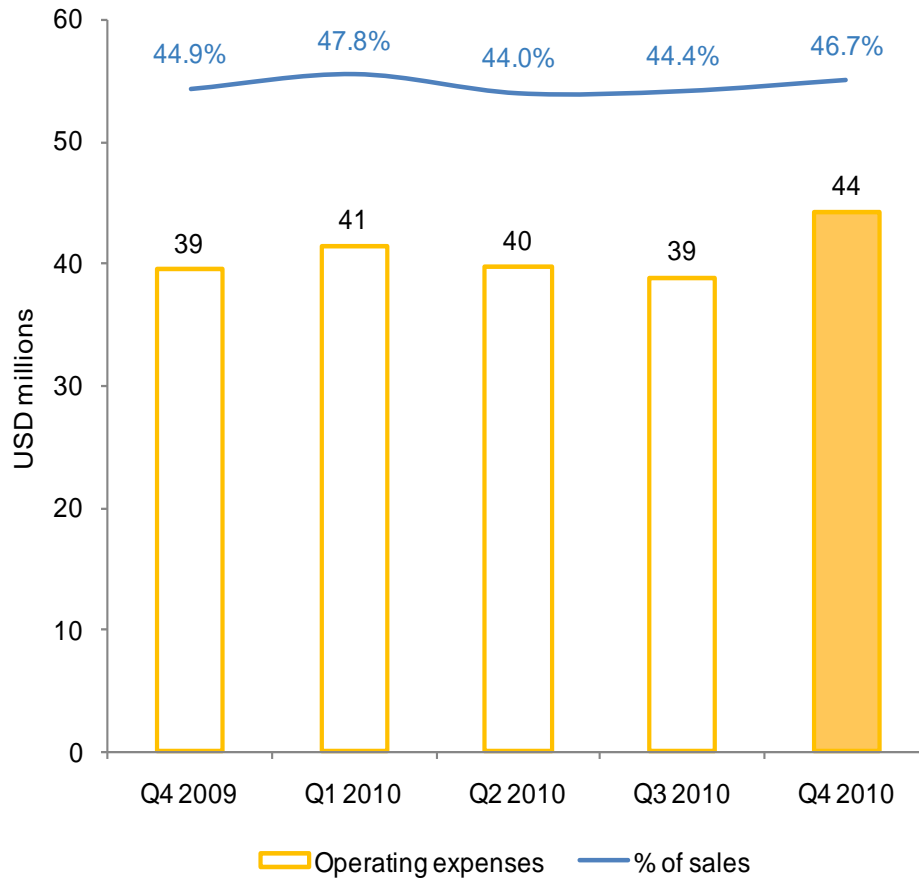
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OPERATING EXPENSES – IMPACTED BY INVESTMENTS



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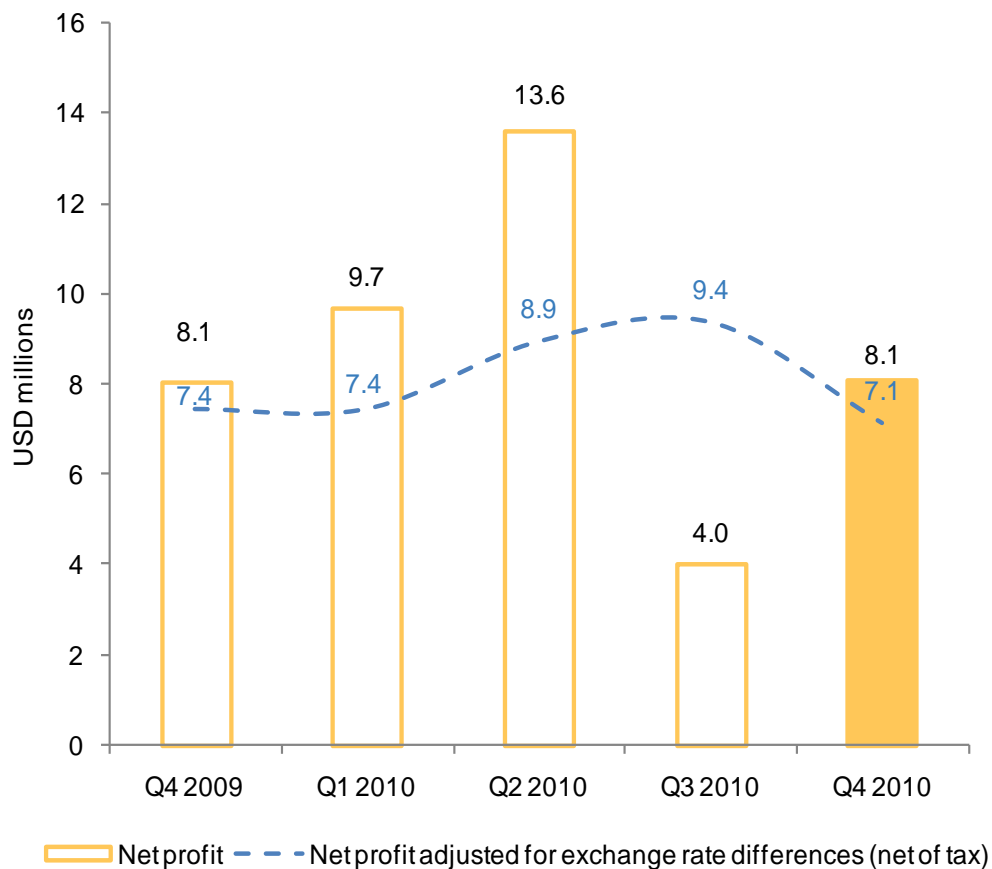


- Expanding sales coverage
- Higher OPEX in acquired companies
- One-time expenses

NET PROFIT – HEALTHY PROFITS



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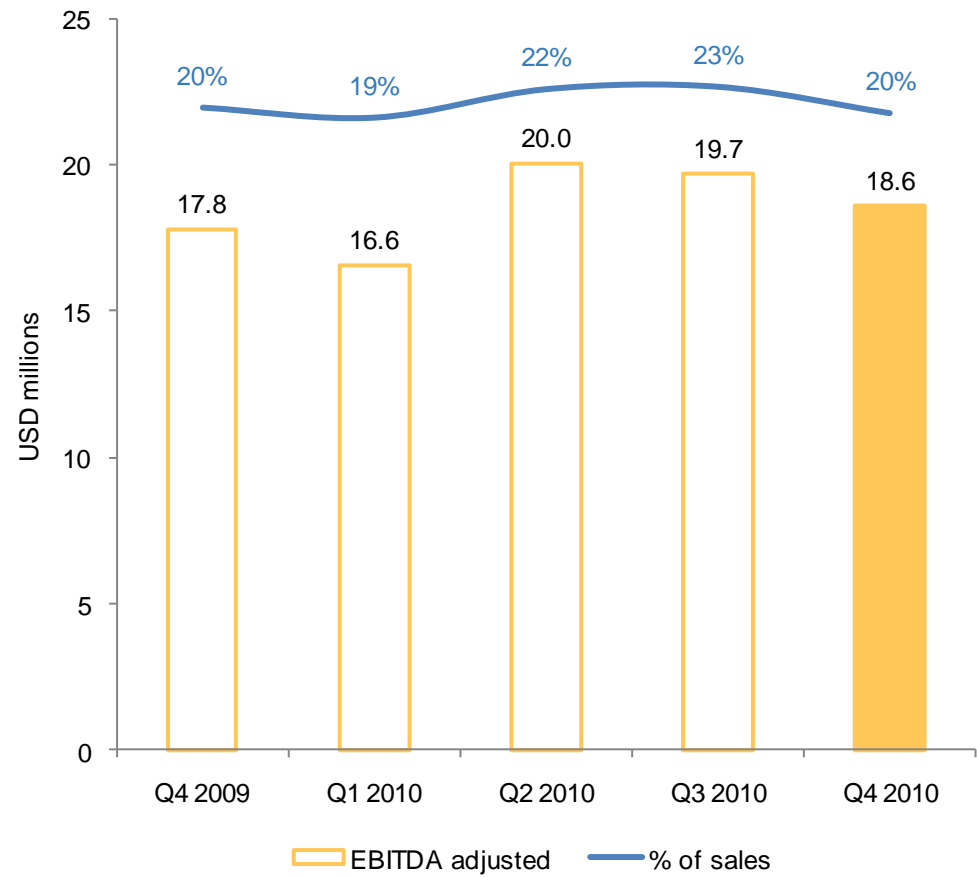


- Net profit USD 8.1 million
- Impacted by acquisitions and one-time expenses
- Net profit 9% of sales

EBITDA MARGIN – 20%



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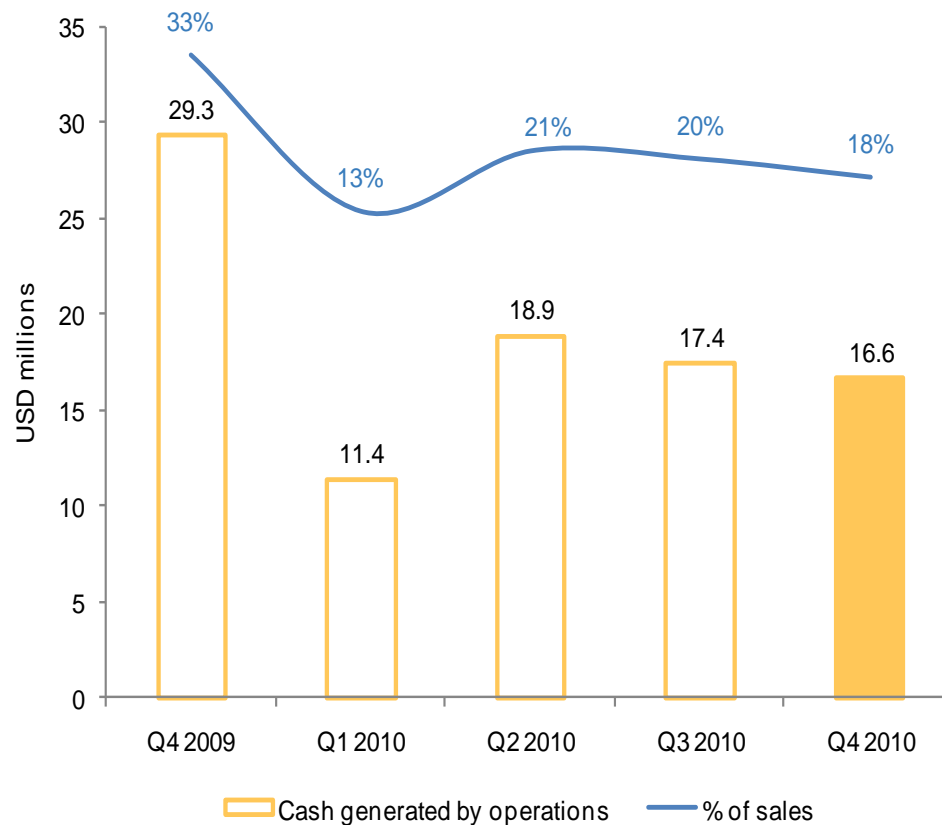


CASH FLOW – SOFT QUARTER



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CASH GENERATED BY OPERATIONS

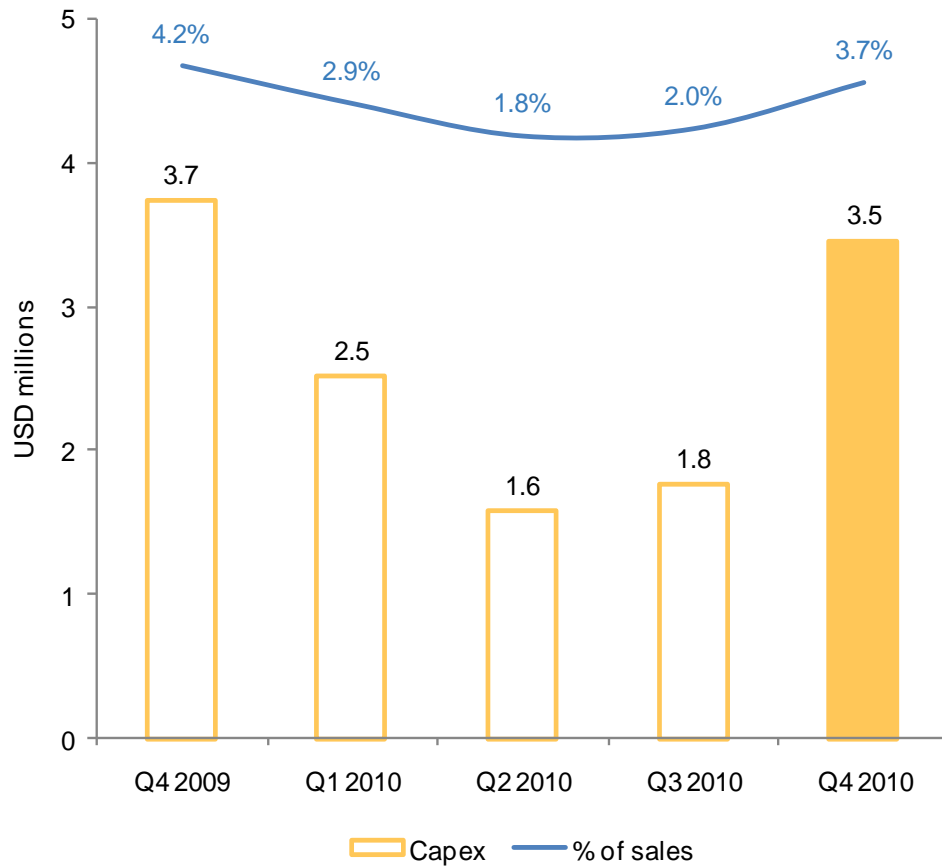


- Working capital fluctuations
- Q4 2009 exceptionally strong
- Healthy cash conversion

CAPEX – WITHIN BENCHMARK



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FINANCIAL HIGHLIGHTS Q4 2010



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- Excellent sales growth
- Moderate organic growth
- Healthy profits



FINANCIAL HIGHLIGHTS FY 2010



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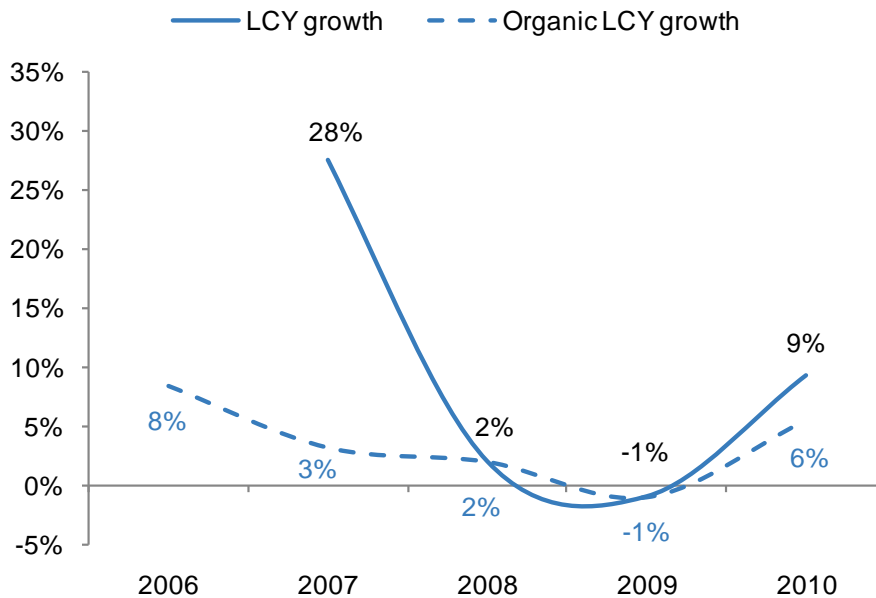


- Excellent sales growth
- Strong organic growth
- Solid margins
- Record profits

SALES – STRONG ORGANIC GROWTH



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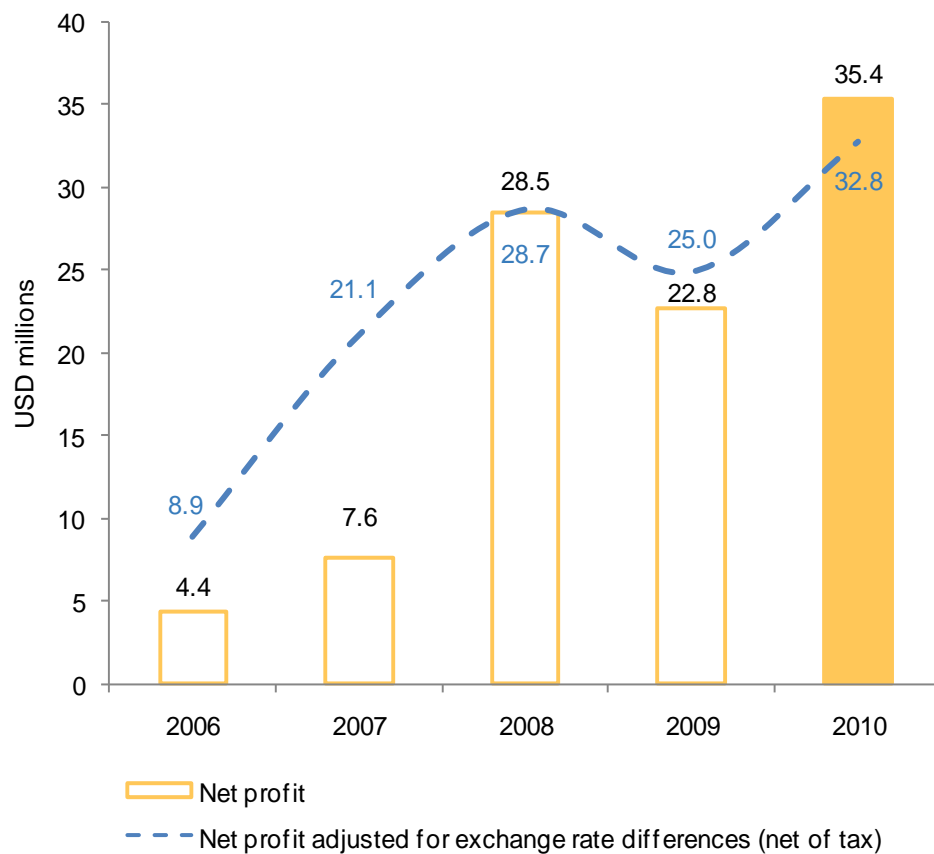
- Overall sales growth 9% LCY
- Organic sales growth 6% LCY
- Turnaround in B&S
- Prosthetics continue to deliver

Note: Organic LCY growth excludes acquisitions; In 2006 56% LCY growth due to Gibaud acquisition

NET PROFIT – RECORD PROFITS



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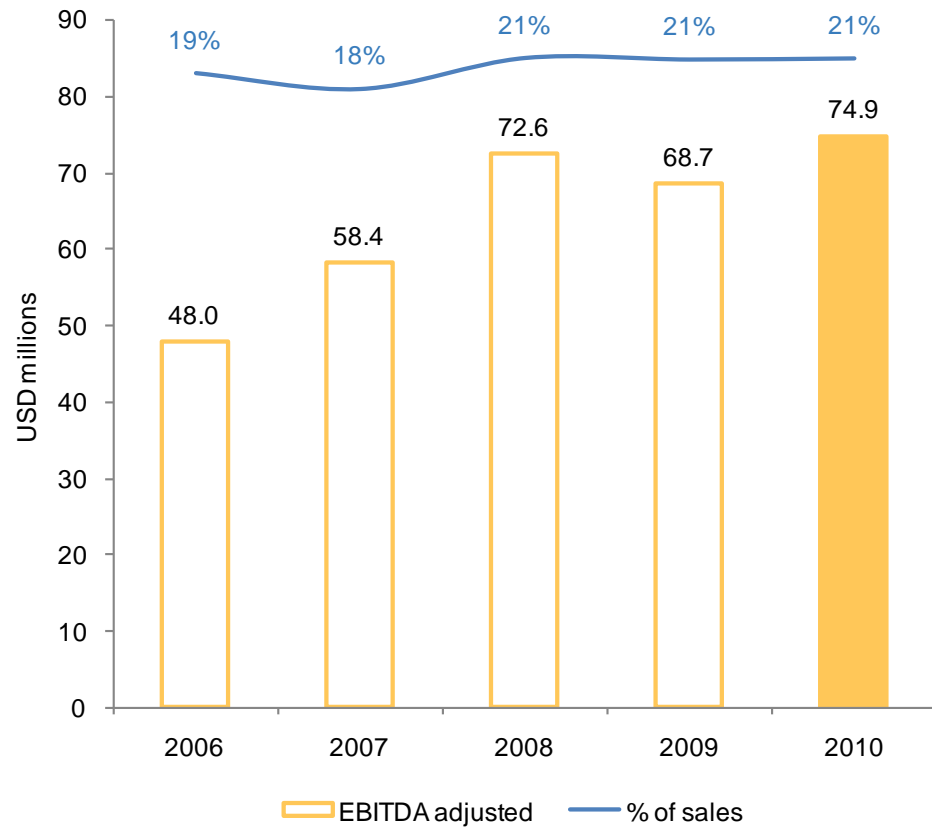


- Net profit USD 35.4 million
- Net profit 10% of sales

EBITDA MARGIN – 21%



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BALANCE SHEETS 31 DECEMBER 2010



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| USD millions | 31. Dec '10 | 31. Dec '09 |
|-------------------------------------|-------------|-------------|
| Non current assets | 442 | 448 |
| Current assets | 165 | 180 |
| Total assets | 607 | 628 |
| Stockholders' equity | 344 | 312 |
| Non current liabilities | 178 | 237 |
| Current liabilities | 85 | 79 |
| Total equity and liabilities | 607 | 628 |
| Current ratio | 1.9 | 2.3 |
| Equity ratio | 57% | 50% |
| Net interest bearing debt / EBITDA | 1.8 | 2.4 |
| Debt / EBITDA | 2.5 | 3.5 |

FINANCIAL HIGHLIGHTS FY 2010



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- Excellent sales growth
- Strong organic growth
- Solid margins
- Record profits

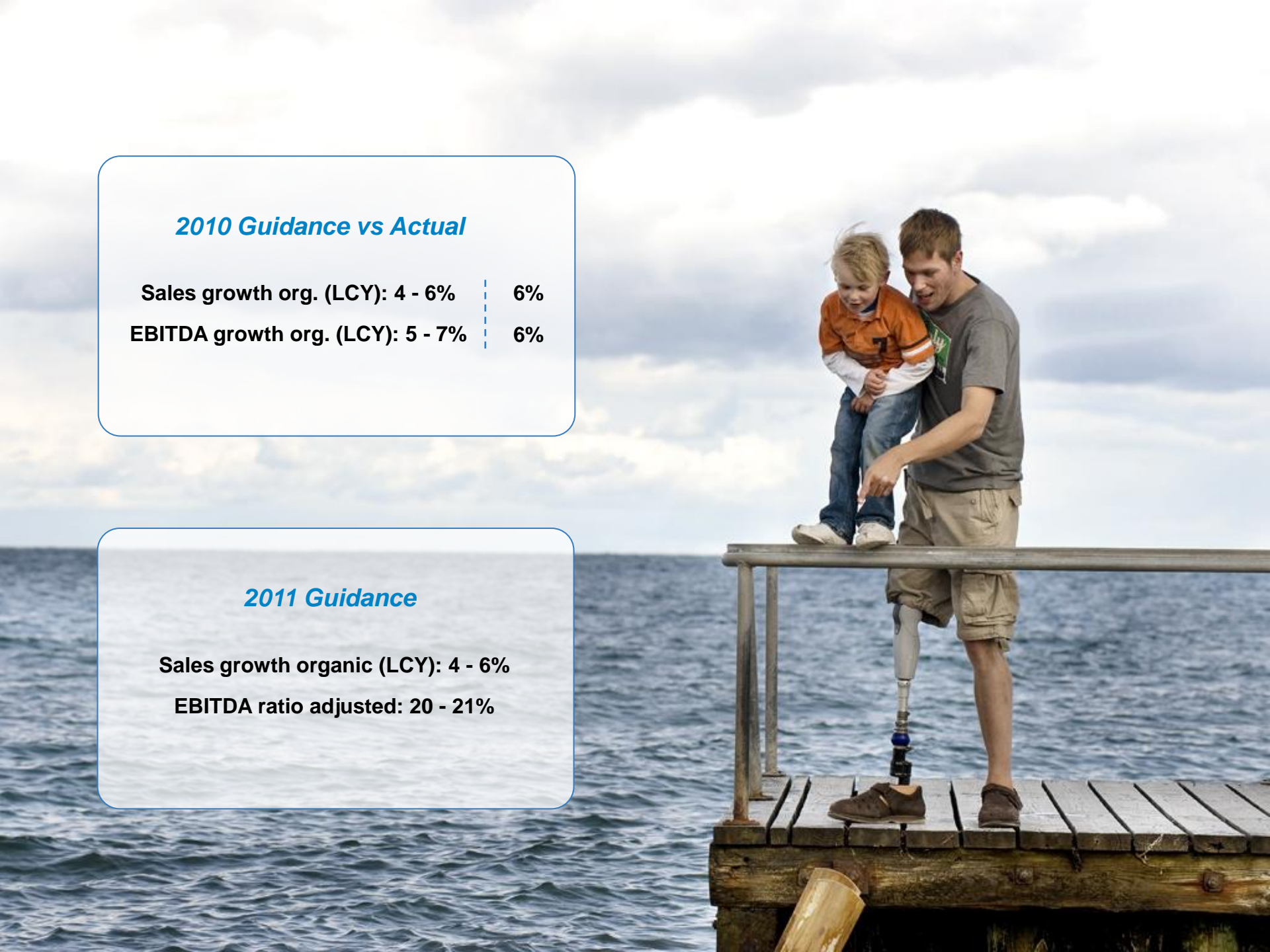


2010 Guidance vs Actual

| | |
|---|-----------|
| Sales growth org. (LCY): 4 - 6% | 6% |
| EBITDA growth org. (LCY): 5 - 7% | 6% |

2011 Guidance

Sales growth organic (LCY): 4 - 6%
EBITDA ratio adjusted: 20 - 21%



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