

Safety First



ÖSSUR HF. Q4 2012

Investor presentation



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FORWARD LOOKING STATEMENTS



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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 2013 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.



Partner to Olympian Oscar Pistorius, the **'Blade Runner'**





HIGHLIGHTS 2012

- Sales growth 3%
- EBITDA margin 18%
- Continued success in EMEA
- RAC audits in Americas
- SYMBIONIC LEG named „Best of What’s New“ by Popular Science
- New dividend policy

- RAC audits and increased compliance control in US
- Majority of Össur products exempt from US medical device tax
- Long term demand for high-end solutions based on clinical and health economical outcomes



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HIGHLIGHTS Q4 2012



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SALES USD 98 M



- 2% LCY growth
- Weak sales in Americas
- Excellent growth in EMEA and Asia

OPERATIONS
EBITDA USD 14 M



- Gross profit margin 61% same ratio as in Q4'11
- Mexico savings achieved
- EBITDA margin 15% (16% in Q4'11)



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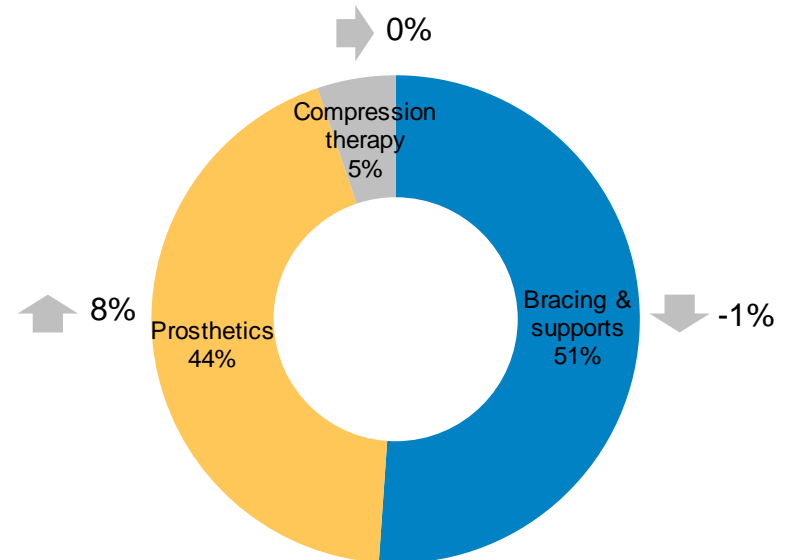
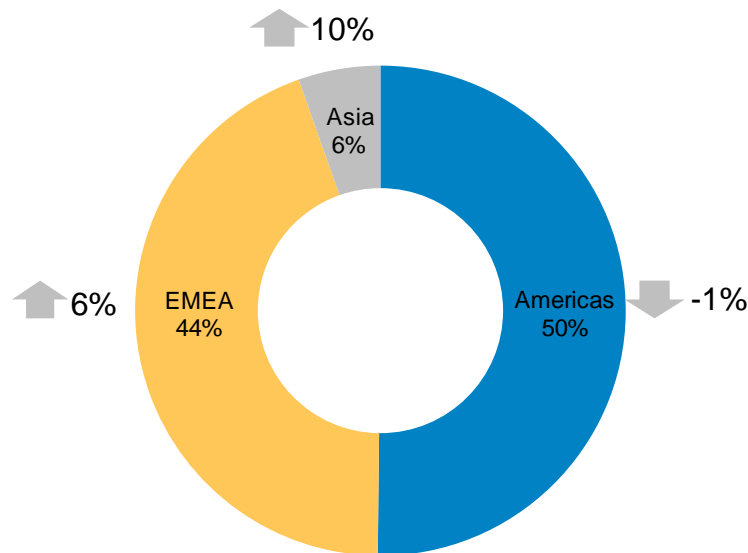
GROWTH BY SEGMENTS AND GEOGRAPHY Q4 2012



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Sales by geography

Sales by segments



Note: All growth numbers in local currency



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Q4 2012 PERFORMANCE BY SEGMENTS AND GEOGRAPHY



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AMERICAS

EMEA

ASIA

Bracing and supports

- Optimizing sales deployment in key strategic areas
- Negative impact on sales due to contractual adjustments in one of our distribution companies

- Good sales growth
- France initiative scaled down

- Excellent growth
- Good growth in Japan, the largest market within Össur Asia

Prosthetics

- Reimbursement challenges continue
- Positive impact from new distribution contracts

- Record sales in bionics
- Strong growth in France, Germany, Turkey and Russia

- Continued good performance



Partner to Olympian Oscar Pistorius, the **'Blade Runner'**



29 PRODUCTS LAUNCHED IN 2012

WORLD'S FIRST COMPLETE BIONIC LEG



SYMBIONIC® LEG

- B&S – 13 products launched
 - Unloader One® SmartDosing
 - Rebound® Walker
- Prosthetics – 13 products launched
 - SYMBIONIC® LEG
 - Vari-Flex® XC
 - Balance line focused on low active users
- Compression therapy – 3 products launched



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FINANCIALS Q4 2012



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FINANCIALS Q4



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USD '000	Q4 2012	Q4 2011
Net Sales	98,395	97,241
Gross profit	60,327 61%	59,768 61%
Profit from operations	10,768 11%	11,997 12%
Net profit for the period	8,071 8%	7,149 7%
EBITDA	14,384 15%	15,603 16%
Net debt/EBITDA	1.2	1.5
Cash generated by operations	25,123 26%	20,232 21%

Sales growth 2% LCY, organic 1% LCY
 Negative impact from a distribution company
 Mexico savings achieved
 Increased investment in R&D
 Net profit up 13%
 EBITDA ratio 15%
 High cash generation



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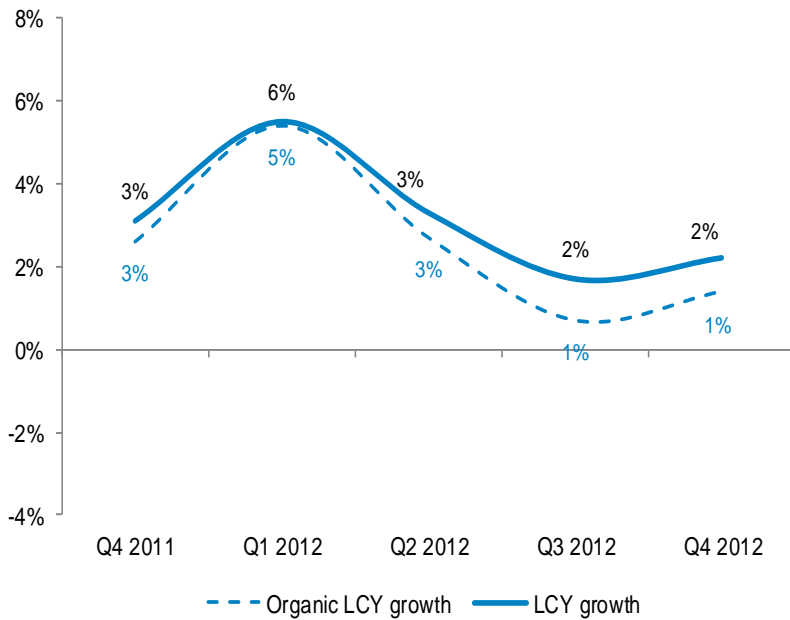


SALES GROWTH Q4 2%

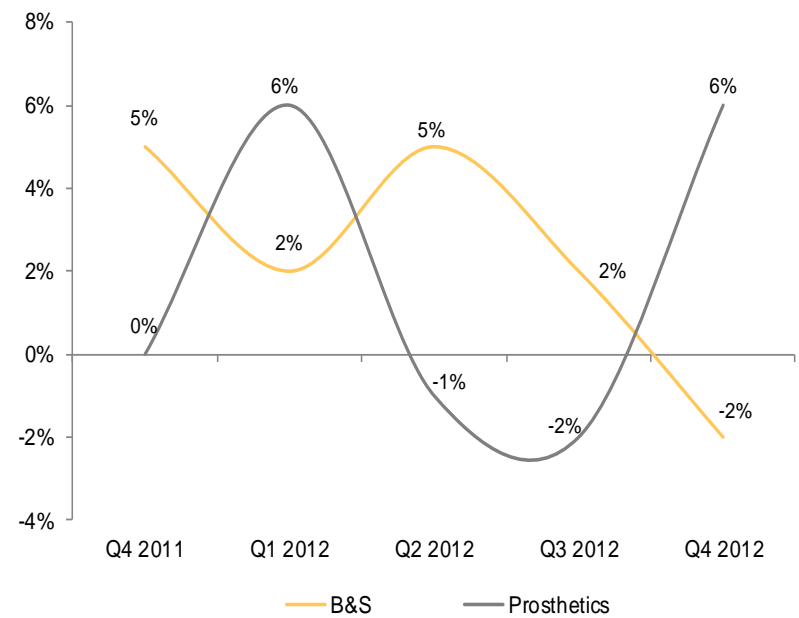


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SALES



SALES BY SEGMENTS



Organic LCY growth



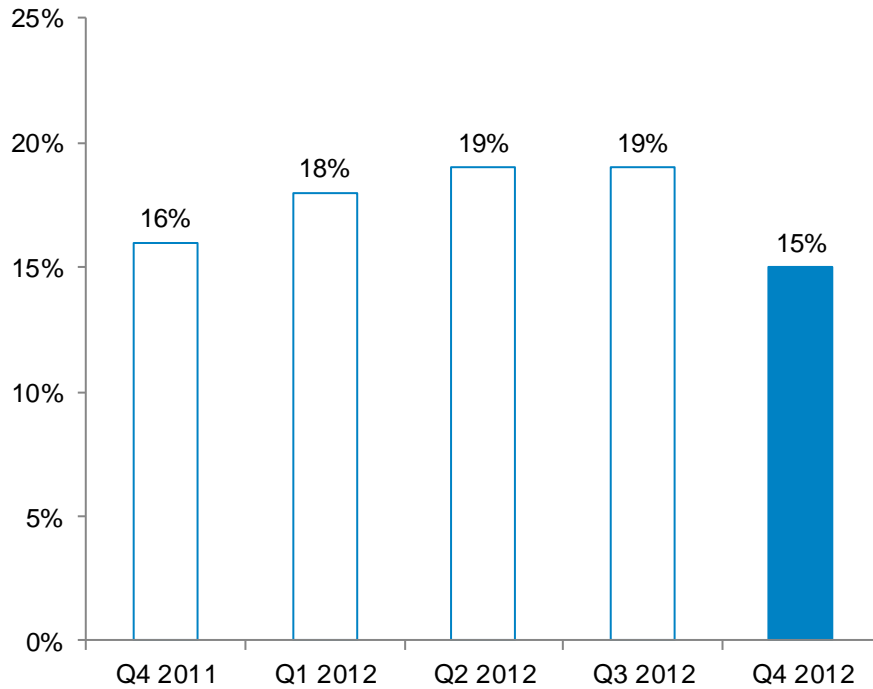
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EBITDA MARGIN Q4 15%



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- Increased investment in R&D
- Negative impact from a distribution company

EBITDA as % of sales



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FINANCIALS FY 2012



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FINANCIALS 2012



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USD '000	2012	2011
Net Sales	399,437	398,325
Gross profit	247,952 62%	246,070 62%
Profit from operations	56,776 14%	59,400 15%
Net profit for the period	37,763 9%	34,608 9%
EBITDA	69,956 18%	72,606 18%
Net debt/EBITDA	1.2	1.5
Cash generated by operations	70,553 18%	68,377 17%

Sales growth 3% LCY, organic 3% LCY

Stable gross profit margin

Increased investment in R&D

Material decrease in financial expenses

Net profit up 9%

EBITDA ratio 18%

Cash flow continues to be strong



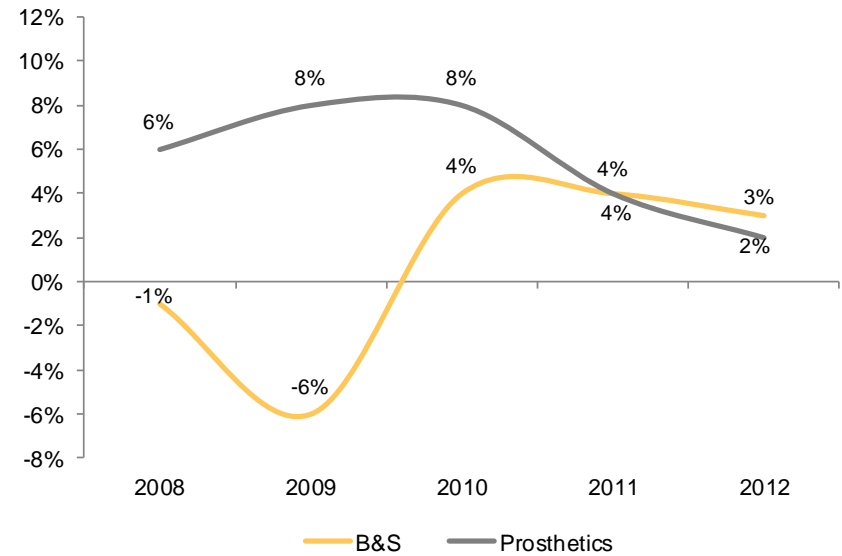
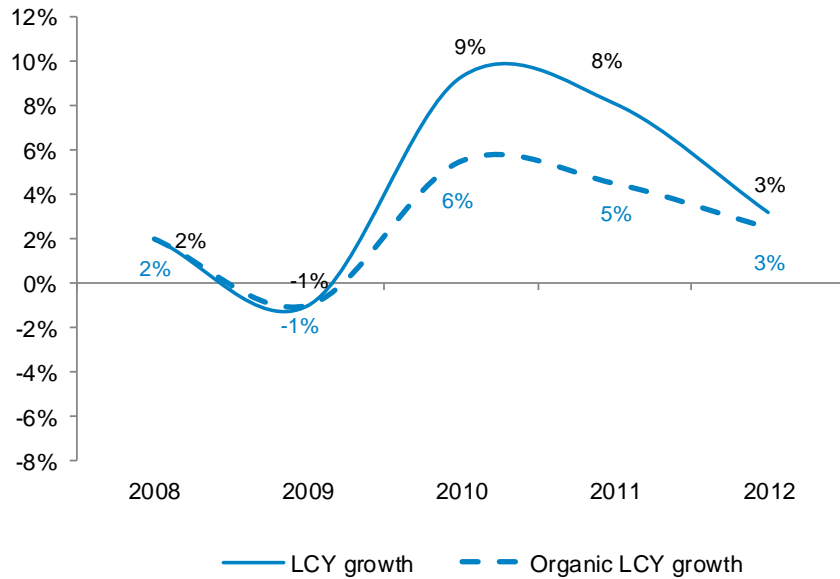
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SALES GROWTH 2012 3%



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Organic LCY growth



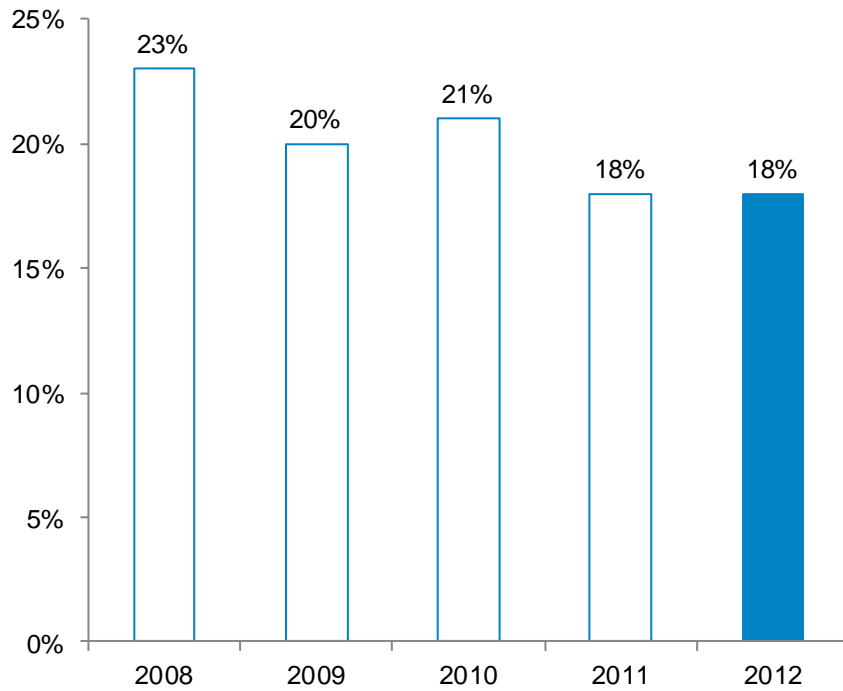
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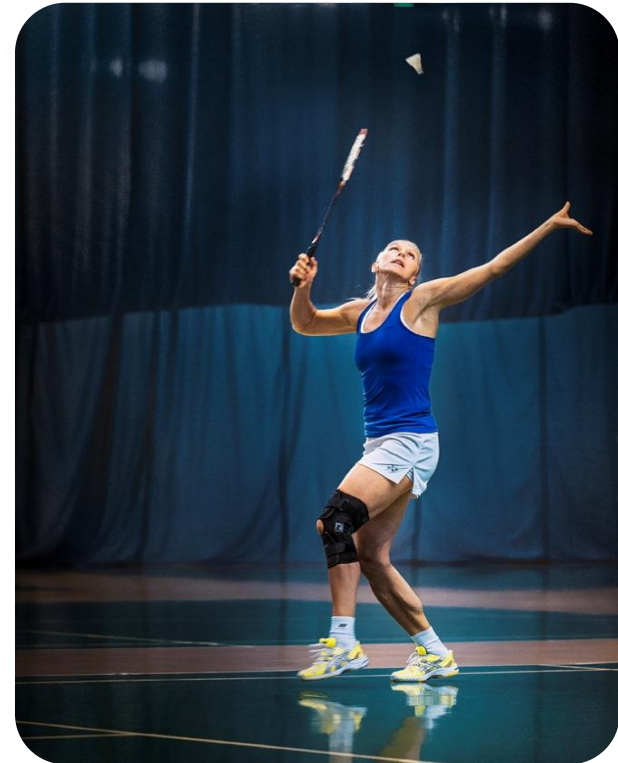
EBITDA MARGIN 2012 18%



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EBITDA as % of sales



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BALANCE SHEETS 31 DECEMBER 2012



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USD million	31 Dec '12	31 Dec '11
Non current assets	451	438
Current assets	140	142
Total assets	591	580
Equity	408	365
Non current liabilities	108	133
Current liabilities	75	82
Total equity and liabilities	591	580
Current ratio	1.9	1.7
Equity ratio	69%	63%

Stable working capital

Debt payments of USD 28 million

Healthy capital structure



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DIVIDEND PROPOSAL



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Dividend policy

- Policy to distribute a relatively **stable dividend**
- Dividends **decided annually in DKK** per share
- Dividend proposal in 2013 is **DKK 0.10 per share** (22% of net earnings in 2012)
- Desired capital level is **net interest bearing debt** between **USD 40m - 120m**
- Intention to **purchase own shares** to keep capital structure within desired levels



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GUIDANCE FOR 2013



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	Actual 2012	Guidance 2012	Guidance 2013
Sales growth organic LCY	3%	2 - 3%	2 - 4%
EBITDA margin	18%	18 - 19%	18 - 19%



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INNOVATION

- **Increase value through innovation by:**
 - indication-related innovation in functional healing, osteoarthritis & prosthetics
 - improving customers' mobility

EFFICIENCY

- **Strive to increase efficiency by:**
 - operational excellence
 - process improvement initiatives
 - establishing closer partnership with customers

GROWTH

- **Achieve growth by:**
 - effectively prove and communicate outcomes of the Company's products
 - increase sales from emerging markets
 - leverage on OA opportunities
 - strategic acquisitions



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Q&A

