



ÖSSUR HF. Q1 2013

INVESTOR MEETING



Life Without Limitations



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.

HIGHLIGHTS Q1 2013



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SALES
USD 97 M



- Total sales -3% LCY growth
- B&S -2% LCY growth
- Prosthetics -3% LCY growth

OPERATIONS
EBITDA USD 14 M



- Gross profit margin 62%
- EBITDA margin 14%

HIGHLIGHTS



- Turbulent US reimbursement
- Cost reduction actions

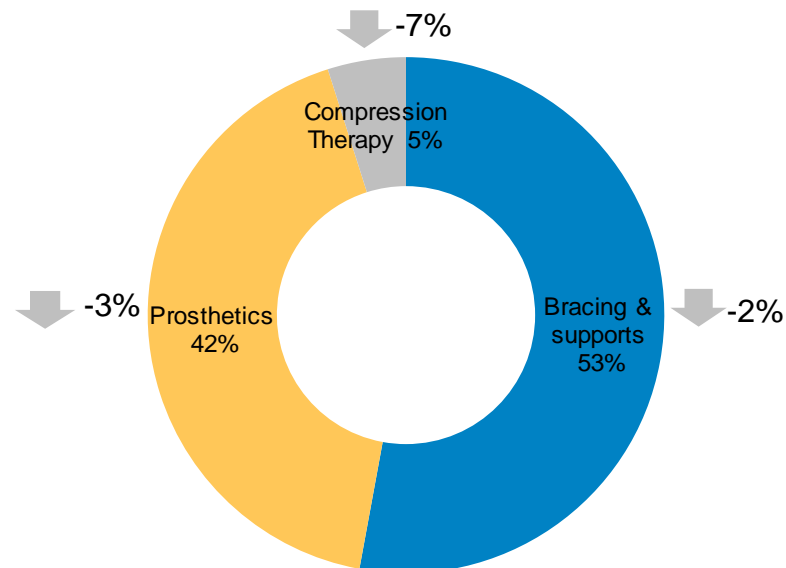
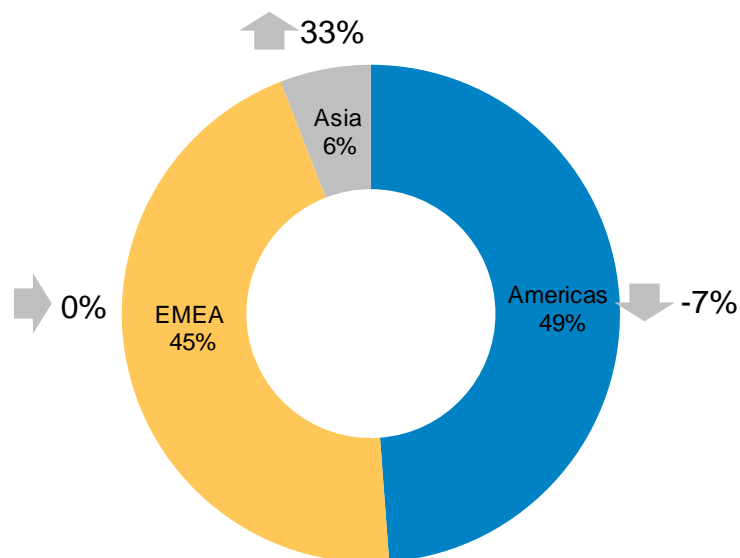
GROWTH BY SEGMENTS AND GEOGRAPHY Q1 2013



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Sales by geography

Sales by segments



Note: All growth numbers in local currency including investments

SEGMENT HIGHLIGHTS



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	AMERICAS	EMEA	ASIA
Bracing and supports	<ul style="list-style-type: none">•• Good growth in direct business in Americas•• Negative contribution from own distribution companies	<ul style="list-style-type: none">•• Mixed performance in EMEA•• Good growth in Eastern Europe	<ul style="list-style-type: none">•• Continued growth
Prosthetics	<ul style="list-style-type: none">•• Reimbursement scrutiny continues to cause uncertainty•• Impact from reimbursement changes expected to continue	<ul style="list-style-type: none">•• Good growth across major product lines•• Good growth in bionics•• Positive outlook	<ul style="list-style-type: none">•• Excellent quarter

PROSTHETICS MARKET IN THE US



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Challenges

- Reimbursement pressure



Actions

- Reimbursement support to O&P clinics
- Increased emphasis on clinical education and partnership

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- Increased demand for low-active products and low cost solutions



- 3 low active products launched in last 12 months
- Low active products in the pipeline

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- Contract with large distributor



- Emphasis on direct sales and other channels

COST REDUCTION ACTIONS



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- Streamlining of operations
- G&A operations simplified
- Leaner cost structure in S&M and R&D
- Reduction in cost by USD 5 million





FINANCIALS Q1 2013



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Financials USD '000	Q1 2013	Q1 2012
Net Sales	97,101	99,817
Gross profit	60,045 62%	62,034 62%
Profit from operations	10,054 10%	14,651 15%
Net profit for the period	5,778 6%	9,802 10%
EBITDA	13,523 14%	17,837 18%
Net debt/EBITDA	1.2	1.6
Cash generated by operations	8,534 9%	9,309 9%

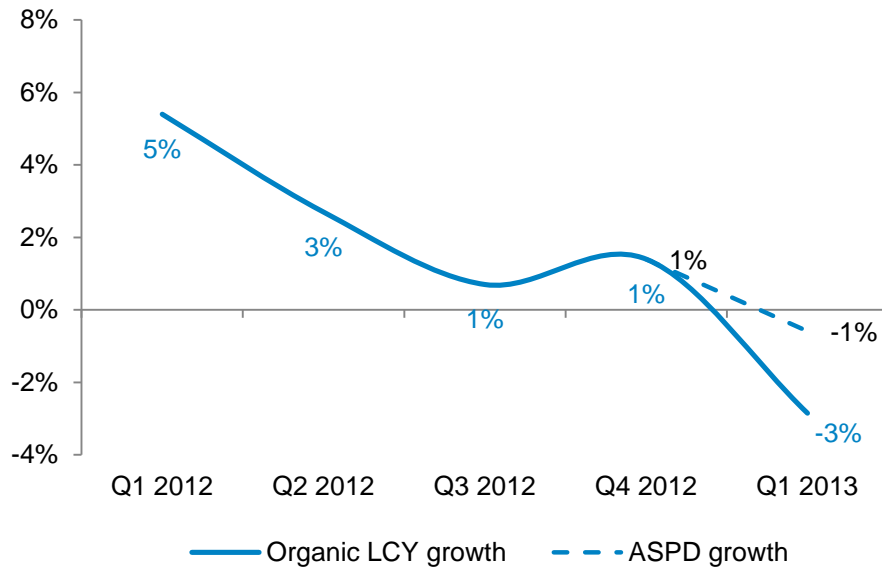
- Sales -3% LCY growth
- Stable gross profit margin
- EBITDA impacted by:
 - Decline in prosthetic sales
 - Distribution companies
 - Higher OPEX
- Net profit 6% of sales
- Seasonally low cash flow

SALES

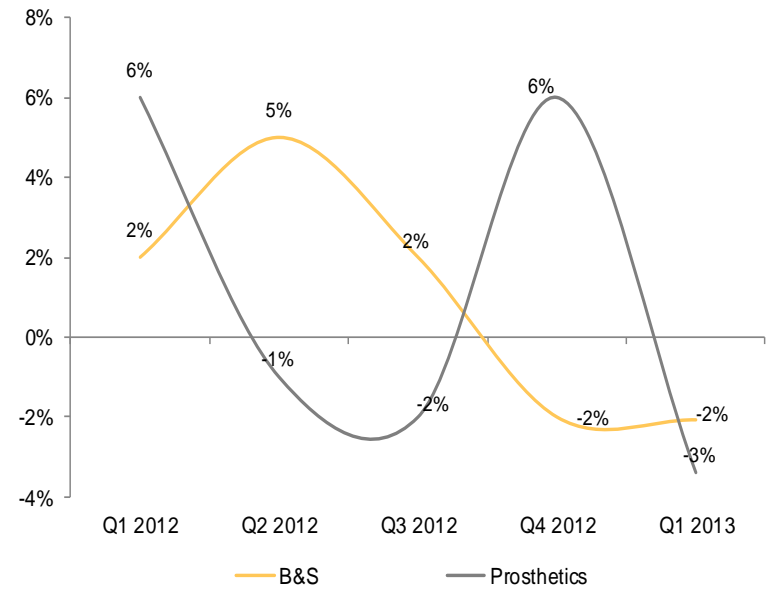


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SALES



SALES BY SEGMENTS

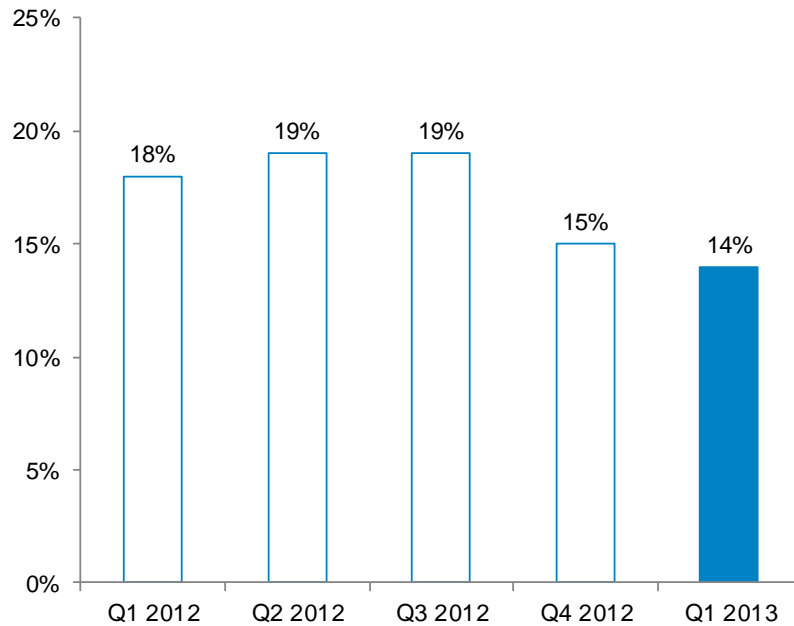


Organic LCY growth

EBITDA MARGIN 14%



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EBITDA as % of sales

- Impacted by sales mix
- Stable gross profit margin
- Higher OPEX

Due to changed reimbursement environment in the US, management expects the results of 2013 to be in the lower end of the guided range, both in terms of sales and EBITDA.

	Q1 2013	Guidance 2013
Sales growth organic LCY	- 3%	2 - 4%
EBITDA margin	14%	18 - 19%

Q&A





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WE IMPROVE PEOPLE'S MOBILITY



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