

ÖSSUR Q2 RESULTS 2015

Highlights Q2 2015

- Sales amounted to USD 127 million, corresponding to local currency growth of 8% and 7% organic growth.
- Bracing and supports sales growth was 8% and 8% organic, both measured in local currency.
- Prosthetics sales growth was 10% and 7% organic, both measured in local currency.
- Gross profit amounted to USD 80 million and 63% of sales, compared to USD 85 million and 64% of sales in Q2 2014.
- EBITDA amounted to USD 27 million or 21% of sales. Adjusted EBITDA amounted to USD 28 million or 22% of sales, compared to USD 29 million or 22% of sales in Q2 2014. Adjusted EBITDA grew by 7% in local currency.
- Net profit amounted to USD 16 million or 12% of sales, compared to USD 17 million or 13% of sales in Q2 2014.
- USD strengthening has had a significant impact on reported sales and profits when comparing to prior year results. Negatively impacting sales by USD 13 million and EBITDA by USD 2 million.
- Cash generated by operations amounted to USD 23 million or 18% of sales, compared to USD 24 million or 18% of sales in Q2 2014.

Financial Guidance for 2015

The financial guidance for the full year of 2015 is unchanged except for capital expenditures.

- Total sales growth LCY in the range of 4-6%.
- Organic sales growth LCY in the range of 3-5%.
- EBITDA margin in the range of 20-21% of sales.
- Capital expenditures 3.5-4.5% of sales (previously 2.5-3.5%).
- Effective tax rate around 26%.

Jón Sigurðsson, President & CEO, comments:

"The results of this quarter are good. Strong growth and good profitability despite adverse impact from currency fluctuations. Prosthetics continue to perform well in all of our major markets and sales growth in bracing and supports was excellent in the quarter, driven by very strong performance in EMEA. At our Capital Markets Day in Copenhagen in May we proudly announced breakthrough technology by demonstrating innovation that allows users of Össur Bionic devices to control movement of the device with their thoughts. Although the commercialization of this technology is out in the future, this technological breakthrough demonstrates our ability to innovate and commitment to advancing the technology in the Prosthetics field."

Conference Call

Össur will host a conference call on Friday 24th July 2015 at **10:00 CET/ 8:00 GMT/ 4:00 EDT**.
To participate in the call please dial: Europe: + 45 3544 5580, +44 (0) 203 364 5374 or +46 (0) 8 505 564 74,
The United States: + 1 855 753 2230, Iceland: +354 800 7417

Financial Highlights

USD m		Q2 2015	Q2 2014	2014	2013	2012	2011
Income Statement							
Net sales		127	133	509	436	399	398
Gross profit		80	85	323	270	248	246
Operating expenses (excl. other income)		59	61	237	210	191	189
EBIT		22	25	86	60	57	59
Net profit		16	17	59	41	38	35
EBITDA		27	29	104	75	70	73
EBITDA adjusted		28	29	104	80	70	76
Sales growth							
Sales growth USD	%	(4)	25	17	9	0	11
Growth breakdown:							
Organic growth in LCY	%	7	3	5	2	3	5
Currency effect	%	(12)	2	(1)	1	(3)	3
Acquired/divested business	%	1	20	13	6	1	4
Balance Sheet							
Total assets		674	712	678	706	591	580
Equity		450	466	442	448	408	365
Net interest-bearing debt (NIBD)		85	98	93	108	82	111
Cash Flow							
Cash generated by operations		23	24	98	73	71	68
Free cash flow		12	17	68	49	43	32
Key ratios							
Gross profit margin	%	63	64	63	62	62	62
EBIT margin	%	17	19	17	14	14	15
EBITDA margin	%	21	22	20	17	18	18
EBITDA adjusted margin	%	22	22	20	18	18	19
Equity ratio	%	67	65	65	63	69	63
Net debt to EBITDA *		0,8	1,0	0,9	1,4	1,2	1,5
Effective tax rate	%	25	25	24	26	26	26
Return on equity *	%	12	13	13	10	10	10
CAPEX / Net sales	%	6,0	3,8	3,3	3,9	3,6	4,1
Market							
Market value of equity		1.533	1.130	1.311	880	606	676
Number of shares	Millions	446	454	454	454	454	454
Price/earnings ratio, (P/E) *		27,7	20,6	22,1	21,7	15,8	20,0
Diluted EPS	US cent	3,5	3,8	13,1	9,1	8,4	7,7
Diluted cash EPS	US cent	4,6	4,8	17,2	12,5	11,3	10,6

* Financial ratios for Q2 2015 and Q2 2014 are based on operations for the preceding 12 months.

Management's Report

Q2 2015 HIGHLIGHTS

Sales Performance

Sales amounted to USD 127 million compared to USD 133 million in Q2 2014, corresponding to local currency growth of 8% and 7% organic growth.

Sales by Segments and Regions in Q2 2015

USD m	Q2 2015	% of sales	Sales growth USD	Sales growth LCY	Organic sales growth LCY
EMEA	64	50%	-11%	11%	11%
Americas	55	43%	3%	4%	4%
APAC	9	7%	19%	28%	8%
Total	127	100%	-4%	8%	7%

USD m	Q2 2015	% of sales	Sales growth USD	Sales growth LCY	Organic sales growth LCY
Bracing and supports	74	58%	-6%	8%	8%
Prosthetics	53	42%	-2%	10%	7%
Other	0	0%	17%	39%	17%
Total	127	100%	-4%	8%	7%

Bracing and supports

Bracing and supports sales grew by 8% measured in local currency. B&S sales grew in all markets, where high end products continue to contribute positively. Growth in EMEA was excellent in the quarter, while sales growth in APAC was flat. Bracing and supports sales grew in Americas, however with continued negative impact from product rationalization efforts and focus on promoting high end products.

Prosthetics

Prosthetics sales grew by 10% and 7% organic, both measured in local currency. Sales performance continues to be good in all major markets and for all major product lines. Bionic sales were somewhat slow in the quarter, affected by competitive pressure in the segment.

Sales of bionic products in the quarter accounted for 16% of prosthetic component sales, excluding clinics, compared to 16% in Q2 2014.

Gross Profit

Gross profit amounted to USD 80 million and 63% of sales, compared to USD 85 million and 64% of sales in Q2 2014. The gross profit margin is affected negatively by unfavorable product mix in the quarter, investment in quality processes and one-time costs of USD 0.3 million related to moving of warehouse activities in Americas.

EBITDA

EBITDA amounted to USD 27 million or 21% of sales, compared to USD 29 million or 22% of sales in Q2 2014. EBITDA is affected by one-time items amounting to USD 1.5 million. The one-time items are costs of USD 1.2 million in relation to start-up of the finance shared service center in Poland, and the previously mentioned one-time costs of moving warehouse activities. Adjusting for one-time items EBITDA amounted to 28 million or 22% of sales and grew by 7% in local currency.

The strengthening of the USD against other major operating currencies impacted the quarterly operating results negatively compared to Q2 2014; sales by USD 13 million, gross profit by USD 8 million and EBITDA by USD 2 million.

Financial Items, Tax and Net Profit

Net financial expenses amounted to USD 0.6 million compared to USD 1.5 million in Q2 2014. Net financial expenses are decreasing as a result of lower interest rates and lower debt.

Income tax amounted to USD 5 million, corresponding to a 25% effective tax rate, compared to USD 6 million and 25% effective tax rate in Q2 2014.

Net profit decreased by 10% and amounted to USD 16 million or 12% of sales, compared to USD 17 million or 13% of sales in Q2 2014.

Diluted earnings per share amounted to 3.5 US cents, compared to 3.8 US cents in Q2 2014, corresponding to a decrease of 10%.

Cash Flow

Cash generated by operations amounted to USD 23 million or 18% of sales, compared to USD 24 million or 18% of sales in Q2 2014.

Capital expenditures during the quarter amounted to USD 8 million or 6% of sales, compared to USD 5 million or 4% of sales in Q2 2014. Capital expenditures were unusually high in the quarter due to expansion, renewal of machinery and acquisition of an IP portfolio. Capital expenditures will be somewhat lower in the second half of the year, ultimately ending the year at 3.5-4.5% of sales, which is above the normal level of 2.5 – 3.5% of sales.

Capital Structure and Dividends

In accordance with the resolution approved at the Annual General Meeting on 12 March 2015, the share capital of the Company was reduced by ISK 7,456,755 by cancelling the Company's own shares of ISK 1 nominal value each. The registration of the capital reduction was completed on 15 April 2015. The Company currently holds 2,300,000 own shares that may be used to settle share options.

As approved by the Annual General Meeting, the Company paid a cash dividend of DKK 0.12 per share for 2014 at the end of March 2015, an increase of 20% from 2013 and equivalent to 14% of net profit in 2014.

General Update

Products

In Q2 2015, 6 new products and product upgrades were introduced to the market: 2 bracing and supports products and 4 prosthetic products. Product highlights during the quarter include:

Form Fit OA Wraparound, easy-to-fit solution for patients with mild to moderate knee osteoarthritis.

Balance™ Knee Control and Unity® for Balance™ J & Assure was launched in the quarter and is designed to offer the less active user a high level of security and stability. Össur is pleased to introduce a variety of new solutions for low active amputees. By combining these new technologies with existing classics, there is now a high quality Össur liner-foot-knee-vacuum solution for any low active user.

Shared Service Center

Össur has set up a shared service center for finance back office functions in Poland to further enhance the scalability of finance functions and to support future growth of the company. The shared service center started its operation in Q2 2015. One-off costs in 2015 related to establishing the shared service center amount to USD 1.2 million and is expensed in Q2. One-off costs related to this project are expected to be USD 1.5 million in 2016. The expected annual savings are estimated to be around USD 1-1.5 million, with full effect from 2017.

FX matters

The financials in the quarter are affected by the strengthening of the USD against major operating currencies. Due to the strengthening of the USD, the absolute numbers in the financials are affected negatively compared to last year. Split of sales and expenses by main currencies can be found in note 4 in the accompanying Consolidated Financial Statements. As can be seen in the note, the EBITDA margin is fairly well hedged for currency movements and one of the key variables for this hedge to hold is that the EUR and the ISK move in tandem to the USD.

Financial Calendar and Upcoming Events and Conferences

Financial Calendar

Q3 2015 Results	22 October 2015
Q4/FY 2015 Results	2 February 2016
2016 Annual General Meeting (IS)	10 March 2016

Upcoming Events and Conferences

Goldman Sachs Healthcare Conference (UK)	9-10 September 2015
Morgan Stanley Healthcare Conference (US)	16-18 September 2015
Jefferies Healthcare Conference (UK)	18-19 November 2015
Danske Bank Winter Seminar (DK)	3 December 2015

Further information:

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Össur press releases by e-mail

If you wish to receive Össur press releases by e-mail please register at the web-site: www.ossur.com/investormailings.

About Össur

Össur (NASDAQ: OSSR) is a global leader in non-invasive orthopaedics that helps people live a life without limitations. Its business is focused on improving people's mobility through the delivery of innovative technologies within the fields of braces, supports, prosthetic limbs and compression therapy. A recognized "Technology Pioneer", Össur invests significantly in research and product development; its award-winning designs ensuring a consistently strong position in the market. Successful patient and clinical outcomes are further empowered via Össur's educational programs and business solutions. Headquartered in Iceland, Össur has major operations in the Americas, Europe and Asia, with additional distributors worldwide. www.ossur.com

Forward-Looking Statements

This press release includes "forward-looking statements" which involve risks and uncertainties that could cause actual results to differ materially from results expressed or implied by these statements. Össur hf. undertakes no obligation and does not intend to update these forward-looking statements to reflect events or circumstances occurring after this press release. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. All forward-looking statements are qualified in their entirety by this cautionary statement.

Össur hf.

**Condensed Interim Consolidated
Financial Statements**

June 30 2015

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Statement by the Board of Directors, President and CEO

The Condensed Interim Consolidated Financial Statements of Össur hf. for the period from 1 January to 30 June 2015 consist of the Financial Statements of Össur hf. and its subsidiaries. The Condensed Interim Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards for Interim Financial Reporting, IAS 34, as adopted by the EU. The Condensed Interim Consolidated Financial Statements are neither audited nor reviewed by the Company's auditors.

The total sales of the Össur Consolidation amounted to USD 241.2 million and the net profit amounted to USD 24.5 million. Össur's Consolidated total assets amounted to USD 674.5 million at the end of period, liabilities were USD 224.4 million, and equity was USD 450.1 million.

It is our opinion that these Condensed Interim Consolidated Financial Statements present all the information necessary to give a true and fair view of the Company's financial position at 30 June 2015 and operating performance of the period ended 30 June 2015.

The Board of Directors and the President and CEO of Össur hf. have today discussed the Condensed Interim Consolidated Financial Statements for the period from 1 January to 30 June 2015 and confirm them by means of their signatures.

Reykjavík, 23 July 2015

Board of Directors

Niels Jacobsen
Chairman of the Board

Arne Boye Nielsen

Kristján T. Ragnarsson

Guðbjörg Edda Eggertsdóttir

Svafa Grönfeldt

President and CEO

Jón Sigurðsson

Consolidated Income Statement

1.1. - 30.6.2015 and 1.1. - 30.6.2014

All amounts in USD '000	Notes	YTD 2015	YTD 2014	Q2 2015	Q2 2014
Net sales	3	241.195	253.547	127.410	132.645
Cost of goods sold		(89.509)	(92.891)	(47.078)	(47.586)
Gross profit		151.686	160.656	80.332	85.059
Other income		64	83	35	75
Sales and marketing expenses		(79.849)	(85.301)	(41.178)	(43.446)
Research and development expenses		(8.961)	(10.163)	(4.627)	(4.924)
General and administrative expenses		(25.214)	(24.868)	(13.030)	(12.195)
Earnings before interest and tax (EBIT)		37.726	40.407	21.532	24.569
Financial income		119	52	61	21
Financial expenses		(1.709)	(2.234)	(863)	(1.353)
Net exchange rate difference		(2.785)	183	223	(147)
Net financial income / (expenses)	5	(4.375)	(1.999)	(579)	(1.479)
Share in net profit / (loss) of associated companies		(352)	9	(126)	3
Earnings before tax (EBT)		32.999	38.417	20.827	23.093
Income tax		(8.526)	(9.872)	(5.306)	(5.846)
Net profit		24.473	28.545	15.521	17.247
Attributable to:					
Owners of the Company		24.416	28.514	15.487	17.299
Non-controlling interests		57	31	34	(52)
		24.473	28.545	15.521	17.247
Earnings per share	6				
Basic earnings per share (US cent)		5,5	6,3	3,5	3,8
Diluted earnings per share (US cent)		5,5	6,3	3,5	3,8

Consolidated Statement of Comprehensive Income

1.1. - 30.6.2015 and 1.1. - 30.6.2014

All amounts in USD '000	Notes	YTD 2015	YTD 2014	Q2 2015	Q2 2014
Net profit		24.473	28.545	15.521	17.247
Items that may be reclassified subsequently to profit or loss:					
Change in cash flow hedges		225	339	225	149
Translation difference of shares in foreign operations		(11.383)	(2.468)	(11.383)	(1.838)
Income tax relating to components of other comprehensive income		(845)	(237)	(845)	(201)
		(12.003)	(2.365)	(12.003)	(1.890)
Total comprehensive income		12.470	26.180	3.517	15.357
Attributable to:					
Owners of the Company		12.414	26.149	12.414	15.410
Non-controlling interests		57	31	57	(53)
		12.470	26.180	12.470	15.357

Consolidated Balance Sheet 30 June 2015 and 31 December 2014

Assets

All amounts in USD '000	Notes	30.6.2015	31.12.2014
Property, plant and equipment	7	42.344	39.895
Goodwill	8	376.113	388.100
Other intangible assets	9	38.452	41.039
Other financial assets		9.812	10.007
Deferred tax assets		21.147	21.038
Non-current assets		487.868	500.079
Inventories		66.428	64.224
Accounts receivables		78.685	69.474
Other assets		14.564	15.522
Bank balances and cash	10	26.932	28.484
Current assets		186.609	177.704
Total assets		674.477	677.783

Consolidated Balance Sheet 30 June 2015 and 31 December 2014

Equity and liabilities

All amounts in USD '000	Notes	30.6.2015	31.12.2014
Issued capital		176.146	169.198
Reserves		(33.670)	(21.421)
Retained earnings		306.271	293.055
Equity attributable to owners of the Company		448.747	440.832
Non-controlling interest in equity		1.350	1.292
Total equity		450.097	442.124
Borrowings		112.221	121.718
Defined employee benefits		266	283
Deferred tax liabilities		22.591	21.335
Provisions		6.531	6.629
Other financial liabilities		226	471
Non-current liabilities		141.835	150.436
Borrowings		91	101
Accounts payable		17.408	17.504
Taxes payable		14.090	12.651
Provisions		4.664	3.770
Accrued salaries and related expenses		26.852	28.101
Other liabilities		19.440	23.096
Current liabilities		82.545	85.223
Total equity and liabilities		674.477	677.783

Consolidated Statement of Cash Flow

1.1. - 30.6.2015 and 1.1. - 30.6.2014

All amounts in USD '000	Notes	YTD 2015	YTD 2014	Q2 2015	Q2 2014
Profit from operations		37.726	40.407	21.532	24.569
Depreciation and amortization	7, 9	9.589	8.941	4.978	4.519
(Gain) / loss on disposal of assets		94	48	72	42
Change in provisions		1.012	(3)	1.138	(76)
Change in inventories		(4.708)	703	300	4.011
Change in receivables		(9.678)	(7.112)	(5.927)	(3.694)
Change in payables		(4.135)	(7.150)	574	(5.596)
Cash generated by operations		29.900	35.834	22.667	23.775
Interest received		118	5	14	
Interest paid		(1.620)	(1.732)	(894)	(813)
Income tax (paid)/received		(6.004)	(3.527)	(2.205)	(1.070)
Net cash provided by operating activities		22.394	30.580	19.582	21.892
Purchase of fixed and intangible assets	7, 9	(12.515)	(7.761)	(7.667)	(5.076)
Proceeds from sale of fixed assets		20	12	18	11
Acquisition of subsidiaries		(443)	(5.491)	(443)	
Changes in financial assets		(448)	102	(658)	50
Cash flows from investing activities		(13.386)	(13.138)	(8.750)	(5.015)
Proceeds from long-term borrowings		3.093	48.607	163	46.556
Repayments of long-term borrowings		(941)	(68.685)	(33)	(63.635)
Changes in revolving credit facility		(7.134)	11.050	(8.621)	11.050
Payment of dividends		(7.536)	(8.401)	0	0
Dividends from subsidiaries paid to non-controlling interests		0	(20)	0	(2)
Sold (purchased) treasury shares		2.856	0	2.856	
Cash flows from financing activities		(9.662)	(17.449)	(5.635)	(6.031)
Net change in cash		(654)	(7)	5.197	10.846
Effects of exchange rate changes on:					
Balance of cash held in foreign currencies		(2.250)	188	1.059	230
Other items held in foreign currencies		1.352	(169)	(523)	(166)
Cash at beginning of period		28.484	41.769	21.199	30.871
Cash at end of period		26.932	41.781	26.932	41.781

Consolidated Statement of Changes in Equity 1.1. - 30.6.2015 and 1.1. - 30.6.2014

All amounts in USD '000	Share capital	Share premium	Statutory reserve	Share option reserve	Fair value reserve	Translation reserve	Accumulated profits	Attributable to owners of the parent	Non-controlling interests	Total equity
Balance at 1 January 2014	5.048	193.317	1.267	1.321	(735)	2.230	244.202	446.650	1.387	448.037
Net profit							28.514	28.514	31	28.545
Change in cash flow hedges net of tax					272			272		272
Translation difference of shares in foreign operations						(2.637)		(2.637)		(2.637)
Total comprehensive income for the period	0	0	0	0	272	(2.637)	28.514	26.149	31	26.180
Payment of dividends							(8.401)	(8.401)	(20)	(8.421)
Share option charge for the period				362				362		362
Share option vested during the period				(473)				(473)		(473)
Balance at 30 June 2014	5.048	193.317	1.267	1.210	(463)	(407)	264.315	464.287	1.398	465.685
Balance at 1 January 2015	4.968	164.230	1.267	1.571	(857)	(23.402)	293.055	440.832	1.292	442.124
Net profit							24.416	24.416	57	24.473
Change in cash flow hedges net of tax					171			171		171
Translation difference of shares in foreign operations						(12.174)		(12.174)		(12.174)
Total comprehensive income for the period	0	0	0	0	171	(12.174)	24.416	12.413	57	12.470
Payment of dividends							(7.536)	(7.536)		(7.536)
Share option charge for the period				414				414		414
Share option vested during the period	18	6.930		(660)			(3.433)	2.855		2.855
Acquisition of Non-controlling interests							(231)	(231)		(231)
Balance at 30 June 2015	4.986	171.160	1.267	1.325	(686)	(35.576)	306.271	448.747	1.349	450.097

In accordance with resolutions from the Annual General Meeting on 12 March 2015, the share capital was decreased in April by ISK 7,456,755 by cancelling the Company's own shares of ISK 1 nominal value each. The Company currently holds 2,300,000 own shares.

Notes to the Consolidated Financial Statements

1. Summary of Significant Accounting Policies

1.1 Statement of compliance

The Condensed Interim Consolidated Financial Statements are prepared in accordance with International Financial Reporting Standards for Interim Financial Reporting, IAS 34 as adopted by the EU. The Condensed Interim Consolidated Financial Statements are presented in accordance with the new and revised standards (IFRS / IAS) and new interpretations (IFRIC), applicable in the period. The implementation of new and revised standards did not have any impact on the Company's Financial Statements. The Company has not early applied new and revised IFRSs that have been issued but are not yet effective. The Financial Statements are presented in USD, which is the Company's functional currency. They do not include all of the information required for full annual Financial Statements and should be read in conjunction with the Company's Annual Financial Statements for the period ended 31 December 2014. The Company's Annual Financial Statements can be found on Company's website www.ossur.com.

1.2 Basis of preparation

The Consolidated Financial Statements have been prepared under the historical cost basis except for certain financial instruments that are measured at fair values. Historical cost is generally based on the fair value of the consideration given in exchange for assets. The accounting policies adopted are consistent with those followed in the preparation of the Company's Annual Financial Statements for the period ended 31 December 2014.

2. Quarterly statements

	Q2 2015	Q1 2015	Q4 2014	Q3 2014	Q2 2014
Net sales	127.410	113.785	129.300	126.510	132.645
Cost of goods sold	(47.078)	(42.431)	(47.823)	(45.517)	(47.586)
Gross profit	80.332	71.354	81.477	80.993	85.059
Gross profit margin	63%	63%	63%	64%	64%
Other income	35	29	68	37	75
Sales and marketing expenses	(41.178)	(38.671)	(43.248)	(39.747)	(43.446)
Research and development expenses	(4.627)	(4.334)	(4.583)	(4.682)	(4.924)
General and administrative expenses	(13.030)	(12.184)	(12.600)	(12.183)	(12.195)
EBIT	21.532	16.194	21.114	24.418	24.569
Net financial income /(expenses)	(802)	(788)	(997)	(582)	(1.332)
Net exchange rate difference	223	(3.008)	(1.965)	(2.569)	(147)
Share in profit of associated companies	(126)	(226)	(5)	(4)	3
EBT	20.827	12.172	18.147	21.263	23.093
Income tax	(5.306)	(3.220)	(3.248)	(5.249)	(5.846)
Net profit	15.521	8.952	14.899	16.014	17.247
EBITDA	26.510	20.805	26.021	28.970	29.085
EBITDA ratio	21%	18%	20%	23%	22%
EBITDA adjusted	27.977	20.805	26.021	28.970	29.085
EBITDA adjusted ratio	22%	18%	20%	23%	22%

3. Net sales

	YTD 2015	YTD 2014	Q2 2015	Q2 2014
Specified according to geographical segments:				
EMEA	120.655	137.620	63.977	72.131
Americas	103.483	101.536	54.558	53.072
APAC	17.057	14.391	8.875	7.442
	241.195	253.547	127.410	132.645
Specified according to product lines:				
Bracing and Supports	139.378	150.004	73.586	77.952
Prosthetics	101.127	103.005	53.470	54.391
Other products	690	538	354	302
	241.195	253.547	127.410	132.645

Notes to the Consolidated Financial Statements

4. Sales and expenses split by main currencies

	YTD 2015			Q2 2015		
	LCY	USD	%	LCY	USD	%
Sales						
USD	100.865	100.865	42%	53.278	53.278	42%
EUR	59.053	65.908	27%	30.933	34.234	27%
ISK	86.250	646	0%	43.568	326	0%
Nordic curr. (SEK, NOK, DKK)		38.042	16%		21.528	17%
Other (GBP, AUD, CAD & Other)		35.734	15%		18.044	14%
		241.195	100%		127.410	100%
COGS and OPEX						
USD	85.673	85.672	42%	44.741	44.740	42%
EUR	39.325	43.890	22%	21.952	24.321	23%
ISK	2.853.865	21.375	11%	1.426.690	10.685	10%
Nordic curr. (SEK, NOK, DKK)		37.220	18%		19.462	18%
Other (GBP, MXN, CAD & Other)		15.311	8%		6.669	6%
		203.469	100%		105.878	100%

LCY amounts are translated at average exchange rates for relevant periods.

5. Financial income / (expenses)

	YTD 2015	YTD 2014	Q2 2015	Q2 2014
Interests on bank deposits	90	26	50	14
Other financial income	29	26	11	7
Financial income	119	52	61	21
Interests on loans	(1.347)	(1.906)	(674)	(1.174)
Other financial expenses	(362)	(328)	(189)	(179)
Financial expenses	(1.709)	(2.234)	(863)	(1.353)
Net exchange rate differences	(2.785)	183	223	(147)
Net financial income / (expenses)	(4.375)	(1.999)	(579)	(1.479)

Notes to the Consolidated Financial Statements

6. Earnings per share

	YTD 2015	YTD 2014	Q2 2015	Q2 2014
Net profit	24.473	28.545	15.521	17.247
Total weighted average number of ordinary shares (in thousands)	442.326	451.507	443.001	451.507
Total weighted average number of shares including potential shares (in thousands)	445.667	453.340	446.085	453.489
Basic earnings per share (US cent)	5,5	6,3	3,5	3,8
Diluted earnings per share (US cent)	5,5	6,3	3,5	3,8
Cash earnings per share	7,7	8,3	4,6	4,8
Diluted cash earnings per share	7,6	8,3	4,6	4,8

7. Property, plant and equipment

2015	Buildings & sites	Machinery & equipment	Fixtures & office equip.	Total
Cost				
At 1 January	13.145	61.428	30.858	105.431
Additions	7	6.164	3.106	9.277
Exchange rate differences	(1.045)	(1.886)	(802)	(3.733)
Eliminated on disposal	0	(191)	(8)	(199)
Fully depreciated assets	0	(1.632)	(921)	(2.553)
At 30 June 2015	12.107	63.883	32.233	108.223
Depreciation				
At 1 January	8.409	39.245	17.883	65.537
Charge for the period	180	3.665	1.671	5.516
Exchange rate differences	(645)	(1.344)	(547)	(2.536)
Eliminated on disposal	0	(83)	(2)	(85)
Fully depreciated assets	0	(1.632)	(921)	(2.553)
At 30 June 2015	7.944	39.851	18.084	65.879
At 30 June 2015	4.163	24.032	14.149	42.344

Depreciation classified by operational category:	YTD 2015	YTD 2014	Q2 2015	Q2 2014
Cost of goods sold	3.287	2.550	1.798	1.202
Sales and marketing expenses	717	792	372	408
Research and development expenses	203	214	106	123
General and administrative expenses	1.309	1.709	645	926
	5.516	5.265	2.921	2.659

8. Goodwill

	30.6.2015	31.12.2014
At 1 January	388.100	396.601
Arising on acquisition of subsidiaries	0	15.941
Exchange rate differences	(11.987)	(24.442)
	376.113	388.100

The carrying amount of goodwill was allocated to the following cash-generating units:

	30.6.2015	31.12.2014
Americas	222.406	223.790
EMEA	137.236	146.857
APAC	16.471	17.453
	376.113	388.100

Notes to the Consolidated Financial Statements

9. Other intangible assets

2015	Cust./distrib relationships	Patents	Trademarks	Software and other	Total
Cost					
At 1 January	32.913	3.742	14.638	27.490	78.783
Additions	0	511	0	2.020	2.531
Additions - internally generated	0	0	0	707	707
Exchange rate differences	(1.723)	(89)	(1.089)	(83)	(2.984)
At 30 June 2015	31.190	4.164	13.549	30.134	79.037
Amortization					
At 1 January	20.842	1.643	596	14.663	37.744
Charge for the period	1.855	71	0	2.147	4.073
Exchange rate differences	(1.075)	(61)	1	(97)	(1.232)
At 30 June 2015	21.622	1.653	597	16.713	40.585
At 30 June 2015	9.568	2.511	12.952	13.421	38.452

Amortization classified by operational category:	YTD 2015	YTD 2014	Q2 2015	Q2 2014
Cost of goods sold	528	365	265	224
Sales and marketing expenses	2.616	2.509	1.325	1.234
Research and development expenses	39	58	34	18
General and administrative expenses	890	744	433	384
	4.073	3.676	2.057	1.860

10. Bank balances and cash

	30.6.2015	31.12.2014
Bank accounts	24.074	24.897
Bankers draft received	2.781	3.516
Cash and other cash equivalents	77	71
	26.932	28.484

Notes to the Consolidated Financial Statements

11. Share option contracts

11.1 Employee share option plan

The Company has in place a share option plan, approved at the Company's Annual General Meetings, under which managers may be granted options to purchase ordinary shares at an exercise price. The exercise price of each share option is determined by the average closing price on shares traded in the OMX Copenhagen stock exchange over the 20 trading days prior to the issue date. The employee must remain continuously employed with the Company until expiring date, either as an employee or in any other way, deemed satisfactory by the Company.

Each employee share option converts into one ordinary share on exercise. No amounts are paid or payable by the recipient on receipt of the option. The options carry neither rights to dividends nor voting rights and are valued using the Black-Scholes pricing model. The expected volatility assumptions used to value the options range from 28.8% to 33.7% and the annual discount rate range from -0.6% to 0.6%. The options expire one year after the exercise date. If a share option vests during a closed period for insider trading the vesting period is automatically extended until the next open window for insider trading.

The following share-based payment arrangements were in existence at balance sheet date:

	Number of shares	Grant/Issue year	Exercise year	Exercise price (in DKK)	Fair value at grant date (in DKK)
Issued to executive management:					
Jón Sigurðsson President and CEO	1.875.000	2012 /2015	2015 / 2018	8.6 / 21.9	8.8 / 24.1
Members of executive management (2 persons)	1.000.000	2012	2015	8.6	8.8
Members of executive management (2 persons)	700.000	2013	2016	7.8 / 7.9	7.4 / 7.9
Members of executive management (4 persons)	925.000	2015	2018	19.4 / 21.9	19.0 / 24.1
	4.500.000				
Issued to management team:					
One manager	50.000	2012	2015	8.7	8.8
Six managers	600.000	2013	2016	7.7 - 7.9	7.4 - 7.9
Fifteen managers	1.050.000	2015	2018	19.4 / 21.9	19.0 / 24.1
	1.700.000				
Total issued option contracts	6.200.000				

Movements in share options during the period

	30.6.2015		31.12.2014	
	Number of shares	Weighted average contract rate (in DKK)	Number of shares	Weighted average contract rate (in DKK)
Outstanding at beginning of period	5.950.000	8,4	6.350.000	8,3
Granted during period	2.600.000	21,1	0	0,0
Exercised during period	(2.350.000)	8,7	(400.000)	6,2
Outstanding at end of period	6.200.000	13,7	5.950.000	8,4

Estimated remaining cost due to the share option contracts is USD 1.9 million. An expense of USD 0.4 million (2014: USD 0.4 million) is recognized in the Income Statement for the period.