

ÖSSUR Q3 RESULTS 2015

Highlights Q3 2015

- Sales amounted to USD 117 million compared to USD 127 million in Q3 2014. Sales growth in local currency amounted to 3%.
- Bracing and supports sales growth was 5%, measured in local currency.
- Prosthetics sales growth was flat, measured in local currency, compared to a strong quarter last year.
- Gross profit amounted to USD 74 million and 63% of sales, compared to USD 81 million and 64% of sales in Q3 2014.
- EBITDA amounted to USD 25 million or 22% of sales, compared to USD 29 million or 23% of sales in Q3 2014.
- Net profit amounted to USD 14 million or 12% of sales, compared to USD 16 million or 13% of sales in Q3 2014.
- USD strengthening has had a significant impact on reported sales and profits when comparing to prior year results. It has negatively impacted sales by USD 11 million and EBITDA by USD 2 million.
- Cash generated by operations amounted to USD 23 million or 20% of sales, compared to USD 33 million or 26% of sales in Q3 2014.

Financial Guidance for 2015

The financial guidance for the full year of 2015 is unchanged:

- 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.
- Effective tax rate around 26%.

Jón Sigurðsson, President & CEO, comments:

"The results of the quarter are in line with expectations. As in previous quarters there is an adverse impact from currency fluctuations. B&S sales were good in all markets, driven by growth of high end innovative products. Prosthetics growth was flat, however we are comparing to an exceptionally strong quarter last year. At the end of the quarter we proudly announced a technical update to our RHEO KNEE® 3 that entails enhanced features and weatherproof design."

Conference Call

Össur will host a conference call on Friday 23rd October 2015 at **10:00 CET / 8:00 GMT / 4:00 EDT**.
To participate in the call please dial: Europe: + 45 3544 5579, +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		Q3 2015	Q3 2014	2014	2013	2012	2011
Income Statement							
Net sales		117	127	509	436	399	398
Gross profit		74	81	323	270	248	246
Operating expenses (excl. other income)		53	57	237	210	191	189
EBIT		20	24	86	60	57	59
Net profit		14	16	59	41	38	35
EBITDA		25	29	104	75	70	73
EBITDA adjusted		25	29	104	80	70	76
Sales growth							
Sales growth USD	%	(7)	21	17	9	0	11
Growth breakdown:							
Organic growth in LCY	%	3	6	5	2	3	5
Currency effect	%	(10)	0	(1)	1	(3)	3
Acquired/divested business	%	0	15	13	6	1	4
Balance Sheet							
Total assets		661	687	678	706	591	580
Equity		461	468	442	448	408	365
Net interest-bearing debt (NIBD)		69	83	93	108	82	111
Cash Flow							
Cash generated by operations		23	33	98	73	71	68
Free cash flow		14	26	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	%	22	23	20	17	18	18
EBITDA adjusted margin	%	22	23	20	18	18	19
Equity ratio	%	70	68	65	63	69	63
Net debt to EBITDA *		0.7	0.8	0.9	1.4	1.2	1.5
Effective tax rate	%	23	25	24	26	26	26
Return on equity *	%	12	13	13	10	10	10
CAPEX / Net sales	%	4.0	2.6	3.3	3.9	3.6	4.1
Market							
Market value of equity		1,402	1,182	1,311	880	606	676
Number of shares	Millions	446	454	454	454	454	454
Price/earnings ratio, (P/E) *		26.2	20.3	22.1	21.7	15.8	20.0
Diluted EPS	US cent	3.1	3.5	13.1	9.1	8.4	7.7
Diluted cash EPS	US cent	4.1	4.5	17.2	12.5	11.3	10.6

*Financial ratios for Q3 2015 and Q3 2014 are based on operations for the preceding 12 months.

Management's Report

Q3 2015 HIGHLIGHTS

Sales Performance

Sales amounted to USD 117 million compared to USD 127 million in Q3 2014. The strengthening of the USD against other major operating currencies impacted sales negatively compared to Q3 2014 by USD 11 million. Sales growth in local currency amounted to 3%. No acquisitions have been made in the last four quarters, hence local currency growth and local currency organic growth numbers are the same. Organic growth in the quarter is impacted negatively by improved revenue recognition process, which reduces seasonality in the companies acquired in 2013. The negative impact corresponds to about half a percentage point in the quarter.

Sales by Segments and Regions in Q3 2015

USD m	Q3 2015	% of sales	Sales growth USD	Sales growth LCY
EMEA	54	46%	-13%	3%
Americas	54	46%	-1%	1%
APAC	9	8%	-4%	9%
Total	117	100%	-7%	3%

USD m	Q3 2015	% of sales	Sales growth USD	Sales growth LCY
Bracing and supports	66	57%	-6%	5%
Prosthetics	51	43%	-10%	0%
Other	0	0%	17%	31%
Total	117	100%	-7%	3%

Bracing and supports

Bracing and supports sales grew by 5% measured in local currency. There was good growth in all markets with high end innovative products contributing positively, while there was still continued price pressure on the lower end of the product portfolio. Bracing and supports sales in Americas continue to gradually improve despite impact from product rationalization.

Prosthetics

Prosthetics sales were flat measured in local currency. Bionics sales were slow in the quarter, affected by competitive pressure in key markets, while sales performance continues to be good for all other product lines. Good growth in EMEA and APAC markets while Americas had a slow quarter, primarily due to lower sales of bionics, which were strong in the comparable quarter in 2014. The reimbursement regime in the US market is stable, but audits into reimbursement processes continue in some markets and a dialogue regarding adjustments to reimbursement for certain prosthetic products is ongoing.

Sales of bionic products in the quarter accounted for 15% of prosthetic component sales, excluding clinics, compared to 19% in Q3 2014.

Gross Profit

Gross profit amounted to USD 74 million and 63% of sales, compared to USD 81 million and 64% of sales in Q3 2014. The gross profit margin is affected by product mix in the quarter, and a marginal negative effect from foreign exchange rate movements.

EBITDA

EBITDA amounted to USD 25 million or 22% of sales, compared to USD 29 million or 23% of sales in Q3 2014.

The strengthening of the USD against other major operating currencies impacted EBITDA negatively compared to Q3 2014 by USD 2 million. EBITDA declined 2% in local currency.

Financial Items, Tax and Net Profit

Net financial expenses amounted to USD 1.6 million compared to USD 3.2 million in Q3 2014. Net financial expenses are decreasing as a result of lower interest rates, lower debt, and lower exchange rate differences.

Income tax amounted to USD 4 million, corresponding to a 23% effective tax rate, compared to USD 5 million and 25% effective tax rate in Q3 2014.

Net profit decreased by 12% and amounted to USD 14 million or 12% of sales, compared to USD 16 million or 13% of sales in Q3 2014.

Diluted earnings per share amounted to 3.1 US cents, compared to 3.5 US cents in Q3 2014.

Cash Flow

Cash generated by operations amounted to USD 23 million or 20% of sales, compared to USD 33 million or 26% of sales in Q3 2014. The lower cash flow from operations is due to strengthening of the USD and investment in working capital, which contributed positively in the comparable quarter.

Capital expenditures during the quarter amounted to USD 4.7 million or 4% of sales, compared to USD 3.3 million and 3% of sales in Q3 2014.

Net interest bearing debt decreased by USD 16 million in the quarter and amounted to USD 69 million at the end of Q3 2015. No acquisitions have materialized during the recent 12 months and the net debt level is now in the lower end of the target range of USD 50 – 140 million.

General Update

Products

The highlights of the new products and product upgrades introduced to the market in Q3 2015 are:

The Rebound DUAL, a versatile double upright brace that provides functional support for patients with ligament instability. The upper frame can be adjusted for patient's height and can be modified for varus or valgus alignment.

RHEO KNEE® 3 received a technical upgrade that includes enhanced features and weatherproof design. The launch was a limited launch in Q3 with a full launch expected in late Q4.

Impact of foreign exchange rate changes

The financials in the quarter are affected by the strengthening of the USD against other 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. However, during the recent months the ISK has strengthened versus the USD proportionately more than other major operating currencies resulting in a negative impact on profitability.

Financial Calendar and Upcoming Events and Conferences

Financial Calendar

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

Upcoming Events and Conferences

Danske Bank Winter Seminar (DK)	3 December 2015
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Further information:

Jon Sigurdsson, President & CEO Tel: +354 515 1300
Sveinn Solvason, CFO Tel: +354 515 1300

Össur press releases by e-mail

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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.

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 September 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 358.5 million and the net profit amounted to USD 38.6 million. Össur's Consolidated total assets amounted to USD 661.1 million at the end of period, liabilities were USD 199.7 million, and equity was USD 461.4 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 September 2015 and operating performance of the period ended 30 September 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 September 2015 and confirm them by means of their signatures.

Reykjavík, 22 October 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. - 30.9.2015 and 1.1. - 30.9.2014

All amounts in USD '000	Notes	YTD 2015	YTD 2014	Q3 2015	Q3 2014
Net sales	3	358,506	380,057	117,311	126,510
Cost of goods sold		(133,242)	(138,408)	(43,733)	(45,517)
Gross profit		225,264	241,649	73,578	80,993
Other income		114	120	50	37
Sales and marketing expenses		(116,904)	(125,048)	(37,055)	(39,747)
Research and development expenses		(13,787)	(14,845)	(4,826)	(4,682)
General and administrative expenses		(36,467)	(37,051)	(11,253)	(12,183)
Earnings before interest and tax (EBIT)		58,220	64,825	20,494	24,418
Financial income		262	162	143	110
Financial expenses		(2,515)	(3,073)	(806)	(839)
Net exchange rate difference		(3,760)	(2,239)	(975)	(2,422)
Net financial income / (expenses)	5	(6,013)	(5,150)	(1,638)	(3,151)
Share in net profit / (loss) of associated companies		(822)	5	(470)	(4)
Earnings before tax (EBT)		51,385	59,680	18,386	21,263
Income tax		(12,807)	(15,121)	(4,281)	(5,249)
Net profit		38,578	44,559	14,105	16,014
Attributable to:					
Owners of the Company		38,595	44,449	14,179	15,935
Non-controlling interests		(17)	110	(74)	79
		38,578	44,559	14,105	16,014
Earnings per share	6				
Basic earnings per share (US cent)		8.5	9.9	3.1	3.5
Diluted earnings per share (US cent)		8.4	9.8	3.1	3.5

Consolidated Statement of Comprehensive Income

1.1. - 30.9.2015 and 1.1. - 30.9.2014

All amounts in USD '000	Notes	YTD 2015	YTD 2014	Q3 2015	Q3 2014
Net profit		38,578	44,559	14,105	16,014
Items that may be reclassified subsequently to profit or loss:					
Change in cash flow hedges		321	487	96	148
Translation difference of shares in foreign operations		(16,885)	(15,731)	(5,502)	(13,263)
Income tax relating to components of other comprehensive income		(536)	(1,220)	309	(983)
		(17,100)	(16,463)	(5,097)	(14,098)
Total comprehensive income		21,478	28,096	9,007	1,916
Attributable to:					
Owners of the Company		21,495	27,986	9,082	1,837
Non-controlling interests		(17)	110	(74)	79
		21,478	28,096	9,008	1,916

Consolidated Balance Sheet 30 September 2015 and 31 December 2014

Assets

All amounts in USD '000	Notes	30.9.2015	31.12.2014
Property, plant and equipment	7	42,580	39,895
Goodwill	8	372,145	388,100
Other intangible assets	9	36,959	41,039
Other financial assets		9,881	10,007
Deferred tax assets		20,089	21,038
Non-current assets		481,654	500,079
Inventories		66,447	64,224
Accounts receivables		74,852	69,474
Other assets		16,916	15,522
Bank balances and cash	10	21,224	28,484
Current assets		179,439	177,704
Total assets		661,093	677,783

Consolidated Balance Sheet 30 September 2015 and 31 December 2014

Equity and liabilities

All amounts in USD '000	Notes	30.9.2015	31.12.2014
Issued capital		181,470	169,198
Reserves		(39,241)	(21,421)
Retained earnings		317,907	293,055
Equity attributable to owners of the Company		460,136	440,832
Non-controlling interest in equity		1,276	1,292
Total equity		461,412	442,124
Borrowings		90,602	121,718
Defined employee benefits		247	283
Deferred tax liabilities		20,816	21,335
Provisions		6,104	6,629
Other financial liabilities		131	471
Non-current liabilities		117,900	150,436
Borrowings		78	101
Accounts payable		19,062	17,504
Taxes payable		15,026	12,651
Provisions		4,173	3,770
Accrued salaries and related expenses		23,812	28,101
Other liabilities		19,630	23,096
Current liabilities		81,781	85,223
Total equity and liabilities		661,093	677,783

Consolidated Statement of Cash Flow

1.1. - 30.9.2015 and 1.1. - 30.9.2014

All amounts in USD '000	Notes	YTD 2015	YTD 2014	Q3 2015	Q3 2014
Profit from operations		58,220	64,825	20,494	24,418
Depreciation and amortization	7, 9	14,537	13,491	4,948	4,550
(Gain) / loss on disposal of assets		171	52	77	4
Change in provisions		219	(143)	(793)	(140)
Change in inventories		(5,750)	1,747	(1,042)	1,044
Change in receivables		(8,221)	(6,208)	1,457	904
Change in payables		(6,371)	(5,161)	(2,236)	1,989
Cash generated by operations		52,805	68,603	22,905	32,769
Interest received		216	123	98	118
Interest paid		(2,091)	(2,535)	(471)	(803)
Income tax paid		(9,624)	(6,475)	(3,620)	(2,948)
Net cash provided by operating activities		41,306	59,716	18,912	29,136
Purchase of fixed and intangible assets	7, 9	(17,177)	(11,030)	(4,662)	(3,269)
Proceeds from sale of fixed assets		165	13	145	1
Acquisition of subsidiaries		(448)	(16,903)	(5)	(11,412)
Changes in financial assets		(1,069)	(4,975)	(621)	(5,077)
Cash flows from investing activities		(18,529)	(32,895)	(5,143)	(19,757)
Proceeds from long-term borrowings		3,258	49,200	165	593
Repayments of long-term borrowings		(945)	(68,930)	0	(245)
Changes in revolving credit facility		(28,835)	(13,874)	(21,705)	(24,924)
Payment of dividends		(7,536)	(8,401)	0	0
Dividends from subsidiaries paid to non-controlling interests		0	0	0	20
Sold (purchased) treasury shares		5,129	0	2,273	0
Cash flows from financing activities		(28,929)	(42,005)	(19,267)	(24,556)
Net change in cash		(6,152)	(15,184)	(5,498)	(15,177)
Effects of exchange rate changes on:					
Balance of cash held in foreign currencies		(2,140)	2,494	110	2,306
Other items held in foreign currencies		1,032	(2,834)	(320)	(2,665)
Cash at beginning of period		28,484	41,769	26,932	41,781
Cash at end of period		21,224	26,245	21,224	26,245

Consolidated Statement of Changes in Equity 1.1. - 30.9.2015 and 1.1. - 30.9.2014

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							44,449	44,449	110	44,559
Change in cash flow hedges net of tax					381			381		381
Translation difference of shares in foreign operations						(16,844)		(16,844)		(16,844)
Total comprehensive income for the period	0	0	0	0	381	(16,844)	44,449	27,986	110	28,096
Payment of dividends							(8,401)	(8,401)		(8,401)
Share option charge for the period				543				543		543
Share option vested during the period				(473)				(473)		(473)
Arising on acquisition							(227)	(227)	227	0
Balance at 30 September 2014	5,048	193,317	1,267	1,391	(354)	(14,614)	280,023	466,078	1,724	467,802
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							38,595	38,595	(17)	38,578
Change in cash flow hedges net of tax					243			243		243
Translation difference of shares in foreign operations						(17,343)		(17,343)		(17,343)
Total comprehensive income for the period	0	0	0	0	243	(17,343)	38,595	21,495	(17)	21,478
Payment of dividends							(7,536)	(7,536)		(7,536)
Share option charge for the period				621				621		621
Share option vested during the period	34	12,238		(1,341)			(5,976)	4,955		4,955
Acquisition of Non-controlling interests							(231)	(231)		(231)
Balance at 30 September 2015	5,002	176,468	1,267	851	(615)	(40,745)	317,908	460,136	1,276	461,412

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 500,000 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

	Q3 2015	Q2 2015	Q1 2015	Q4 2014	Q3 2014
Net sales	117,311	127,410	113,785	129,300	126,510
Cost of goods sold	(43,733)	(47,078)	(42,431)	(47,823)	(45,517)
Gross profit	73,578	80,332	71,354	81,477	80,993
Gross profit margin	63%	63%	63%	63%	64%
Other income	50	35	29	68	37
Sales and marketing expenses	(37,055)	(41,178)	(38,671)	(43,248)	(39,747)
Research and development expenses	(4,826)	(4,627)	(4,334)	(4,583)	(4,682)
General and administrative expenses	(11,253)	(13,030)	(12,184)	(12,600)	(12,183)
EBIT	20,494	21,532	16,194	21,114	24,418
Net financial income /(expenses)	(663)	(802)	(788)	(997)	(582)
Net exchange rate difference	(975)	223	(3,008)	(1,965)	(2,569)
Share in profit of associated companies	(470)	(126)	(226)	(5)	(4)
EBT	18,386	20,827	12,172	18,147	21,263
Income tax	(4,281)	(5,306)	(3,220)	(3,248)	(5,249)
Net profit	14,105	15,521	8,952	14,899	16,014
EBITDA	25,442	26,510	20,805	26,021	28,970
EBITDA ratio	22%	21%	18%	20%	23%
EBITDA adjusted	25,442	27,977	20,805	26,021	28,970
EBITDA adjusted ratio	22%	22%	18%	20%	23%

3. Net sales

	YTD 2015	YTD 2014	Q3 2015	Q3 2014
Specified according to geographical segments:				
EMEA	174,561	199,920	53,906	62,300
Americas	157,837	156,339	54,354	54,803
APAC	26,108	23,798	9,051	9,407
	358,506	380,057	117,311	126,510
Specified according to product lines:				
Bracing and Supports	205,645	220,177	66,267	70,173
Prosthetics	151,659	158,917	50,532	55,912
Other products	1,202	963	512	425
	358,506	380,057	117,311	126,510

Notes to the Consolidated Financial Statements

4. Sales and expenses split by main currencies

	YTD 2015			Q3 2015		
	LCY	USD	%	LCY	USD	%
Sales						
USD	159,019	159,019	44%	58,154	58,154	50%
EUR	84,173	93,844	26%	25,120	27,936	24%
ISK	125,091	942	0%	38,840	296	0%
Nordic curr. (SEK, NOK, DKK)		52,580	15%		14,539	12%
Other (GBP, AUD, CAD & Other)		52,120	15%		16,387	14%
		358,506	100%		117,311	100%
COGS and OPEX						
USD	131,602	131,600	44%	45,929	45,927	48%
EUR	55,891	62,313	21%	16,566	18,423	19%
ISK	4,140,024	31,183	10%	1,286,159	9,808	10%
Nordic curr. (SEK, NOK, DKK)		51,908	17%		14,688	15%
Other (GBP, MXN, CAD & Other)		23,282	8%		7,971	8%
		300,286	100%		96,817	100%

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

5. Financial income / (expenses)

	YTD 2015	YTD 2014	Q3 2015	Q3 2014
Interests on bank deposits	154	84	64	58
Other financial income	108	78	79	52
Financial income	262	162	143	110
Interests on loans	(1,981)	(2,689)	(634)	(783)
Other financial expenses	(534)	(384)	(172)	(56)
Financial expenses	(2,515)	(3,073)	(806)	(839)
Net exchange rate differences	(3,760)	(2,239)	(975)	(2,422)
Net financial income / (expenses)	(6,013)	(5,150)	(1,638)	(3,151)

Notes to the Consolidated Financial Statements

6. Earnings per share

	YTD 2015	YTD 2014	Q3 2015	Q3 2014
Net profit	38,578	44,559	14,105	16,014
Total weighted average number of ordinary shares (in thousands)	454,210	451,507	459,920	451,507
Total weighted average number of shares including potential shares (in thousands)	456,538	453,668	461,962	454,148
Basic earnings per share (US cent)	8.5	9.9	3.1	3.5
Diluted earnings per share (US cent)	8.4	9.8	3.1	3.5
Cash earnings per share	11.7	12.9	4.1	4.6
Diluted cash earnings per share	11.6	12.8	4.1	4.5

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	9,212	3,974	13,193
Exchange rate differences	(1,026)	(2,315)	(1,428)	(4,769)
Eliminated on disposal	0	(1,058)	(8)	(1,066)
Fully depreciated assets	0	(1,632)	(915)	(2,547)
At 30 September 2015	12,126	65,635	32,481	110,242
Depreciation				
At 1 January	8,409	39,245	17,883	65,537
Charge for the period	268	5,556	2,652	8,476
Exchange rate differences	(632)	(1,629)	(813)	(3,074)
Eliminated on disposal	0	(728)	(2)	(730)
Fully depreciated assets	0	(1,632)	(915)	(2,547)
At 30 September 2015	8,045	40,812	18,805	67,662
At 30 September 2015	4,081	24,823	13,676	42,580
Depreciation classified by operational category:				
	YTD 2015	YTD 2014	Q3 2015	Q3 2014
Cost of goods sold	5,081	4,221	1,794	1,671
Sales and marketing expenses	1,119	1,204	402	412
Research and development expenses	322	326	119	112
General and administrative expenses	1,954	2,182	645	473
	8,476	7,933	2,960	2,668

8. Goodwill

	30.9.2015	31.12.2014
At 1 January	388,100	396,601
Arising on acquisition of subsidiaries	0	15,941
Exchange rate differences	(15,955)	(24,442)
	372,145	388,100

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

	30.9.2015	31.12.2014
Americas	220,810	223,790
EMEA	136,092	146,857
APAC	15,243	17,453
	372,145	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	1,709	2,220
Additions - internally generated	0	0	0	1,764	1,764
Exchange rate differences	(2,044)	(94)	(1,139)	(184)	(3,461)
At 30 September 2015	30,869	4,159	13,499	30,779	79,306
Amortization					
At 1 January	20,842	1,643	596	14,663	37,744
Charge for the period	2,773	107	5	3,176	6,061
Exchange rate differences	(1,181)	(67)	(73)	(137)	(1,458)
At 30 September 2015	22,434	1,683	528	17,702	42,347
At 30 September 2015	8,435	2,476	12,971	13,077	36,959

Amortization classified by operational category:	YTD 2015	YTD 2014	Q3 2015	Q3 2014
Cost of goods sold	792	547	264	182
Sales and marketing expenses	3,965	3,801	1,349	1,292
Research and development expenses	57	83	18	25
General and administrative expenses	1,247	1,127	357	383
	6,061	5,558	1,988	1,882

10. Bank balances and cash

	30.9.2015	31.12.2014
Bank accounts	19,036	24,897
Bankers draft received	2,018	3,516
Cash and other cash equivalents	170	71
	21,224	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.

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	625,000	2015	2018	21.9	24.1
Members of executive management (1 persons)	500,000	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
	2,750,000				
Issued to management team:					
Six managers	600,000	2013	2016	7.7 - 7.9	7.4 - 7.9
Twenty managers	1,200,000	2015	2018	19.4 / 23.9	19.0 / 24.1
	1,800,000				
Total issued option contracts	4,550,000				

Movements in share options during the period

	30.9.2015		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	2,750,000	21.3	0	0.0
Exercised during period	(4,150,000)	8.6	(400,000)	6.2
Outstanding at end of period	4,550,000	16.0	5,950,000	8.4

Estimated remaining cost due to the share option contracts is USD 1.8 million. An expense of USD 0.6 million (2014: USD 0.5 million) is recognized in the Income Statement for the period.