Hanger Orthopedic Group, Inc. Files Replacement Shelf Registration Statement

August 22, 2008

BETHESDA, Md., Aug. 22 /PRNewswire-FirstCall/ -- Hanger Orthopedic Group, Inc. (NYSE: HGR) announced today that it has filed a new shelf registration statement on Form S-3 with the Securities and Exchange Commission to sell, from time to time, up to 13,608,730 shares of its common stock, comprised of up to 6,000,000 shares that may be issued and sold by the Company, a 500,000 share reduction from Hanger's previous shelf registration statement, and up to 7,308,730 shares that may be resold by an existing stockholder.

The shares registered for resale on behalf of the existing stockholder were issued on August 8, 2008 in connection with the Company's conversion of its Series A Convertible Preferred Stock. The new shelf registration statement is filed to fulfill the Company's obligations under the Registration Rights Agreement entered into with the existing stockholder when the stockholder purchased the Series A preferred in May 2006. These obligations were triggered when the existing stockholder exercised its demand shelf registration rights shortly after the Company forced the conversion of the Series A preferred into common stock.

Immediately after the filing of the new shelf registration statement, the Company filed a post-effective amendment to deregister all of the 9,637,500 shares of common stock registered for sale from time to time under the shelf registration statement on Form S-3 filed in March of 2004. These shares were comprised of up to 6,500,000 shares that were to be issued and sold by the Company, and up to 3,137,500 shares of common stock issuable upon conversion of a then outstanding series of convertible preferred stock that were to be resold by the holder of such preferred stock. The convertible preferred stock was redeemed in May of 2006, and no shares were sold under the 2004 shelf registration statement.

The new shelf registration statement has been filed with the Securities and Exchange Commission but is not yet effective. The securities registered for sale under the new shelf registration statement may not be sold, nor may offers to buy any securities be accepted, prior to the time the new shelf registration statement becomes effective. This press release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of any securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction. A written prospectus meeting the requirements of section 10 of the Securities Act of 1933, as amended, may be obtained from Kenneth J. Abod, the Company's Vice President and Treasurer, Hanger Orthopedic Group, Inc., Two Bethesda Metro Center, Suite 1200, Bethesda, Maryland 20814.

Hanger Orthopedic Group, Inc., headquartered in Bethesda, Maryland, is the world's premier provider of orthotic and prosthetic patient care services. Hanger is the market leader in the United States, owning and operating 661 patient care centers in 45 states and the District of Columbia, with over 3,500 employees including 1,060 practitioners (as of June 30, 2007). Hanger is organized into four units. The two key operating units are patient care, which consists of nationwide orthotic and prosthetic practice centers, and distribution which consists of distribution centers managing the supply chain of orthotic and prosthetic componentry to Hanger and third party patient care centers. The third is Linkia, which is the first and only provider network management company for the orthotics and prosthetics industry. The fourth unit, Innovative Neurotronics, introduces emerging neuromuscular technologies developed through independent research in a collaborative effort with industry suppliers worldwide. For more information on Innovative Neurotronics, Inc. or the WalkAide(R), visit http://www.ininc.us. For more information on Hanger, visit http://www.hanger.com.

This document may contain forward-looking statements relating to the Company's revenues, contracts and operations. The United States Private Securities Litigation Reform Act of 1995 provides a "safe harbor" for certain forward-looking statements. Statements relating to future revenues, contracts and operations in this document reflect the current views of management. However, various risks, uncertainties and contingencies could cause actual results or performance to differ materially from those expressed in, or implied by, these statements, including the Company's ability to enter into and derive benefits from managed care contracts, the demand for the Company's orthotic and prosthetic services and products and the other factors identified in the Company's periodic reports on Form 10-K and Form 10-Q filed with the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Company disclaims any intent or obligation to update publicly these forward-looking statements, whether as a result of new information, future events or otherwise.

SOURCE Hanger Orthopedic Group, Inc.
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