Hanger Orthopedic Group Forms New Subsidiary, Innovative Neurotronics, Inc.

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Announces Licensing Agreement with Canadian R&D Company
Specializing in Neuromuscular Technology

BETHESDA, Md., May 4 /PRNewswire-FirstCall/ -- Hanger Orthopedic Group, Inc. (NYSE: HGR) announced today the formation of a new wholly-owned subsidiary, Innovative Neurotronics, Inc. (IN, Inc.) and the company's first licensing agreement with BioMotion Ltd., an independent research and development (R&D) spin-off company created from technologies derived from the University of Alberta.

Designed as a portal to rapidly introduce emerging neuromuscular technologies developed at major research centers, universities, or in collaboration with industry suppliers worldwide, IN, Inc. will specialize in the development and commercialization of devices that utilize electrical stimulation to improve the functionality of an impaired extremity.

"The profession's mission has always been to restore the functionality and mobility of our patients, allowing them to reach their highest levels of independence," Hanger CEO Ivan R. Sabel said. "As the industry leader, we feel it's our obligation to use Hanger's clinical expertise and geographic reach to deploy emerging technologies that achieve that mission. We feel neuromuscular devices have the potential to better serve a very large portion of the profession's patient base."

IN, Inc. will draw on the clinical specialization, national reach, distribution supply chain, and regulatory affairs expertise of its sister companies, specifically, Hanger Prosthetics & Orthotics, the nation's largest orthotic and prosthetic (O&P) patient care company, and Southern Prosthetic Supply (SPS), the world's largest distributor of O&P devices. The ultimate family of products commercialized by IN, Inc. will be sold exclusively by Hanger.

The intellectual property license agreement between IN, Inc. and Canadian- based BioMotion Ltd. for a device to better manage ankle dorsiflexion disorders (a.k.a. foot drop) marks Hanger's first step into the development and commercialization of a new line of neuromuscular devices.

"I am very excited about the potential of this partnership," Professor of Physiology and Neuroscience at the University of Alberta and President of BioMotion Ltd. Richard Stein said. "When you combine the breadth of emerging products researched and developed at BioMotion with the superior clinical track record and national presence of Hanger, the possibilities are limitless. Our skill sets are very complimentary. I look forward to a productive future."

Hanger coined the term Myo-Orthotics(TM) technology for IN, Inc.'s initial product line. According to Hanger President and COO Tom Kirk, "Myo-Orthotics(TM) technology resides in a very unique space between prosthetics and orthotics. More than simply bracing a limb to improve mobility, neuroscience and Myo-Orthotics(TM) technologies will actually restore the functionality of an impaired extremity by mimicking and recreating natural nerve-to-muscle response by way of electrical stimulation."

Kirk also noted, "There is an entire patient population suffering and recovering from debilitating conditions such as spinal cord injury, stroke, Parkinson's Disease, etc. A portion of this population will benefit from this first product and its associated clinical service, which will augment the bracing treatments currently utilized, such as the ankle foot orthosis. The prototypes, clinical trials, and regulatory approvals achieved by BioMotion will be invaluable in bringing this product to our practitioners. It will demonstrate how IN, Inc. and its Myo-Orthotics(TM) technology offer the potential for greater mobility, functionality, and patient freedom."

About BioMotion Ltd.:

Founded in 1994 as an independent research and development (R&D) spin-off company created from technologies derived from the University of Alberta, BioMotion Ltd. is comprised of engineers, scientists, and clinicians dedicated to testing and developing devices with the potential to restore functionality to people with neuromuscular disorders.

About Hanger Orthopedic Group, Inc.:

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 over 600 patient care centers in 44 states and the District of Columbia, with approximately 3,200 employees. Hanger is organized into two business segments: 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. In addition, Hanger operates the largest orthotic and prosthetic managed care network in the country.

Certain statements included in this press release are forward looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Please refer to the Company's SEC filings for factors that could cause actual results to differ materially from the Company's expectations

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