Hanger Orthopedic Group, Inc. Announces Cash Tender

September 2, 2003

Offer and Consent Solicitation for Outstanding Senior Subordinated Notes

BETHESDA, Md., Sep 2, 2003 /PRNewswire-FirstCall via COMTEX/ -- Hanger Orthopedic Group, Inc. (NYSE: HGR) today announced that it is commencing a cash tender offer for any and all of its $150,000,000 outstanding principal amount of 11.25% Senior Subordinated Notes due 2009 (CUSIP No. 41043FAB5) and a consent solicitation with respect to the notes.

The tender offer and consent solicitation are being made pursuant to an Offer to Purchase and Consent Solicitation Statement dated September 2, 2003, and related Letter of Transmittal, which more fully set forth the terms of the tender offer and the consent solicitation. The total consideration to be paid for each note validly tendered and accepted for payment prior to 5 p.m., New York City time, on September 15, 2003, will be 110.5% of the principal amount, plus accrued and unpaid interest, up to but not including, the settlement date. The total consideration for each note so tendered includes a consent payment of 3.00%. Holders that tender their notes after that time but prior to the expiration of the tender offer will receive 107.5% of the principal amount for the senior subordinated notes validly tendered and accepted for payment, plus accrued and unpaid interest, up to but not including, the payment date.

The tender offer is scheduled to expire at 5 p.m., New York City time, October 1, 2003, unless extended. Tenders of notes made after 5 p.m., New York City time, on September 15, 2003, may be properly withdrawn at any time until the scheduled expiration. Tenders of notes made prior to 5 p.m., New York City time, on September 15, 2003, may not be properly withdrawn, unless the company reduces the tender offer consideration or the consent payment or is otherwise required by law to permit withdrawal.

The tender offer will be conditioned upon the consummation of a new $150 million term loan, which is entirely pre-payable and is expected to have a lower interest rate than the debt it will replace. The company intends to use the net proceeds from such financing to fund the purchase of the senior subordinated notes pursuant to this tender offer.

Lehman Brothers Inc. is the dealer manager for the tender offer and solicitation agent for the consent solicitation. Questions about the tender offer should be directed to Lehman Brothers Inc., toll-free at (800) 438-3242 or (212) 528-7581 (collect), attention: Liability Management. The information agent for the tender offer is D.F. King & Co. Inc. Requests for additional sets of the tender offer materials may be directed to D.F. King & Co. Inc., by calling toll-free at (888) 567-1626.

This press release shall not constitute a tender offer to purchase or a solicitation of acceptance of the tender offer, which may be made only pursuant to the terms of the tender offer to purchase and related letter of transmittal. In any jurisdiction where the laws require the tender offer to be made by a licensed broker or dealer, the tender offer shall be deemed made on behalf of the company by Lehman Brothers Inc. or one or more registered brokers or dealers under the laws of such jurisdiction.

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 591 patient-care centers in 44 states and the District of Columbia, with 3,139 employees including 875 certified practitioners. 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.

SOURCE Hanger Orthopedic Group, Inc.

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