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MEDICARE TO REIMBURSE FOR THE BIONESS L300™ FOOT DROP SYSTEM FOR SPINAL CORD INJURY

Valencia, Calif. — December 11, 2008 — Bioness Inc., a leading neuromodulation company, announced today that beginning January 1, 2009, the NESS L300 will be reimbursed by Medicare for incomplete spinal cord injury patients suffering from foot drop. The decision by the Centers for Medicare and Medicaid Services (CMS) establishes a new HCPCS code, E0770, for functional electrical stimulation (FES) devices including the NESS L300™ Foot Drop System. Based on this coding decision, Medicare carriers have issued billing instructions stating formally that the NESS L300 from Bioness will be covered for spinal cord injury patients with specific diagnosis codes who meet certain criteria.

Foot drop is a partial leg paralysis that prevents the foot from lifting, causing instability and making walking difficult for persons suffering from conditions such as incomplete spinal cord injuries, stroke, traumatic brain injury, multiple sclerosis and cerebral palsy. The NESS L300 treats foot drop by stimulating the muscles and nerves that lift the foot. Medicare's decision highlights the importance of FES and the possible improvements in an individual's gait, increased range-of-motion and improved blood circulation that the NESS L300 may provide. The NESS L300 is the only adaptive, wireless neurostimulation device for foot drop offered in acute, in-patient and out-patient rehabilitation centers as well as for home use.

"In the U.S. there are approximately 250,000 spinal cord injury survivors and 11,000 new spinal cord injury incidents each year," said Evan L. Rosenfeld M.D., Chief Medical Officer for Bioness Inc. "This decision by CMS opens the door for many neurologically injured patients to receive FES-based treatment. The NESS L300 FES device may help patients regain lost mobility and increase their overall independence, which can ultimately help them to perform everyday activities that can greatly improve their quality of life."

"We are delighted with CMS' decision to cover the NESS L300 and, more importantly, encouraged by the impact that it will have on the lives of thousands of people with spinal cord injuries, their caregivers and families," said Yitzhak Zilberman, President and CEO of Bioness Inc. "The NESS family of products has already helped thousands of patients suffering from a variety of neurological disorders regain mobility. We are confident that the CMS decision will make access to the NESS L300 even easier for patients in need."

The NESS L300 is a prescription device used by nearly 400 in-patient and out-patient rehabilitation facilities and select orthotic and prosthetic patient care facilities across the United States as an adjunct to therapeutic procedures. If a patient is determined to be appropriate for the NESS L300 in the home, a Bioness-trained therapist configures the electrodes and trains the patient on its proper use. Routine therapy visits are required to ensure that the device is properly fitted and that patients receive the proper dosage levels consistent with individual therapy goals.

To find a Bioness-trained facility, visit the Bioness website (www.bioness.com).

Individual results vary. People should consult with a qualified physician to determine if the NESS L300 is right for them.

About Bioness Inc.

Bioness develops, manufactures and markets innovative neuromodulation products that aid individuals with central nervous system disorders such as stroke, multiple sclerosis, spinal cord injury and traumatic brain injury.

The NESS L300™ Foot Drop System and NESS H200® Hand Rehabilitation System, cleared for use by the Food and Drug Administration and approved by the European Union (CE Mark), are designed to enable patients to achieve new levels of physical independence and productivity.

Additional information about Bioness can be found at www.bioness.com.