



Victhom Human Bionics

Press release

For immediate release

VICTHOM DISCLOSES SECOND QUARTER 2009 FINANCIAL RESULTS

Quebec (Canada), August 14, 2009 - Victhom Human Bionics Inc. (“Victhom”) (TSX: VHB)) today reported its second quarter 2009 financial results.

Mr. Normand Rivard, President and CEO of Victhom said: “The completion, during the second quarter, of the partnership agreement with Otto Bock HealthCare, the world leader in the field of mobility, will allow us, through our newly created Neurostream joint venture, to exploit the great potential of our unique neuromodulation platform used in its first product, the Neurostep®. The combination of our technology and know-how with Otto Bock’s worldwide market knowledge will give us a tremendous edge in bringing this much needed solution to gait patients throughout the world. With Otto Bock’s \$30 million commitment to Neurostream and the conversion of the convertible debentures into preferred shares, Victhom is now in a good position to bring its neuromodulation technologies to the market.”

Second Quarter Results

During the second quarter of 2009, the Company completed transactions approved under a Plan of Arrangement which had significant impacts on its financial statements. The net profit of the second quarter was generated mainly by non-cash gains related to the following transactions: CAN\$ 8.3 million related to the extinguishment of the convertible debentures and their conversion into preferred shares; and CAN\$ 1.7 million related to the assets and liabilities transfer to our newly created Neurostream joint venture. Furthermore, while we previously reported results from our Neurobionix activities as a division of Victhom, the results of the current quarter reflect our 44.4% interest in Neurostream joint venture and are presented using proportionate consolidation method from May 1st, 2009.

For the quarter ended on June 30, 2009, the Company recorded revenues of \$495,736 compared with \$582,548 in 2008, representing a decrease of \$86,812 or 14.9%. Revenues for the six-month period ended on June 30, 2009, were \$1,177,648 compared with \$1,156,791 for the same period in 2008, representing an increase of \$20,857 or 1.8%.

The revenues for the six-month period ended on June 30, 2009 are composed of non-refundable advance royalties for an amount of \$1,161,250 (\$1,085,747 in 2008), of support activities for an amount of \$16,398 (\$25,354 in 2008) and of other sources for an amount of \$0 (\$45,690 in 2008). Revenues are mostly derived from Ossur, a European medical device company located in Iceland. For the six-month period ended on June 30, 2009, compared to the same period in 2008, U.S. dollar currency fluctuations had a favorable impact of \$198,768.

R&D expenses, before tax credits and grants, amounted to \$2,570,920 for the second quarter ended on June 30, 2009, compared with \$2,619,883 for the same period in 2008, representing a decrease of \$48,963 or 1.9%. For the six-month period ended on June 30, 2009, R&D expenses, before tax credits and grants, amounted to \$5,440,152 compared with \$4,896,191 for the same period in 2008, representing an increase of \$543,961 or 11.1%. The increase is mainly due to



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higher R&D expenses related to the ongoing clinical trial and the development of the commercial version of the Neurostep[®], partially offset by the transfer of our Neurobionix division activities into the Neurostream joint venture, in which the Company has a 44.4% interest.

G&A expenses, net of non-cash stock-based compensation charges of \$7,922, for the three-month period ended on June 30, 2009, amounted to \$479,317 compared with \$486,262 for the same period in 2008, representing a decrease of \$6,945 or 1.4%. For the six-month period ended on June 30, 2009, G&A expenses, net of non-cash stock-based compensation charges of \$15,982, amounted to \$1,096,315 compared with \$1,347,956 for the same period in 2008, representing a decrease of \$251,641 or 18.7%. The decrease in G&A expenses is mainly due to shared services provided to Neurostream which are recorded through the Neurostream joint venture and lower non-recurring professional fees, partially offset by the increase in amortization of property, plant and equipment.

For the six-month period ended on June 30, 2009, the net loss, net of non-cash items of \$9,569,468, amounted to \$4,046,708 compared with a net loss, net of non-cash items of \$3,317,643, for the same period in 2008, which amounted to \$3,900,053, representing an increase of \$146,655 or 3.8%. The increase in net loss, net of non-cash items, is mainly the result of higher R&D expenses related to the ongoing clinical trial and the development of the commercial version of the Neurostep[®].

Shareholders' equity amounted to \$4,312,827 on June 30, 2009, compared with a deficiency of \$2,010,547 on December 31, 2008. Total assets amounted to \$15,702,864 on June 30, 2009, compared with \$17,295,019 on December 31, 2008.

Financial Situation

As of June 30, 2009, the Company had cash and cash equivalents of \$2,972,104, including short-term investments. For the three-month period ended on June 30, 2009, the net increase in cash and cash equivalents was \$1,669,105 compared with a decrease of \$2,593,116 for the same period in 2008. During the second quarter of 2009, the cash was provided by \$1,500,000 in cash received from the Neurostream joint venture and a demand loan of \$950,000, partially offset by cash used in operating activities. The Company expects to incur additional expenditures to complete the development and marketing of its products. The Company believes that, with its current financial resources, it will have sufficient liquidity to support its cash flow requirements for at least the next twelve months.

On June 30, 2009, the number of common shares outstanding post-consolidation totaled 13,652,173, while 687,300 options were granted under the stock option plan and 2,596,494 share purchase warrants were in circulation pursuant to past unit offerings. The number of preferred shares issued as final and full payment of the principal amount of convertible debentures outstanding totaled 22,942,500. The outstanding options and share purchase warrants are exercisable respectively at a weighted average exercise price of \$3.97 and \$7.63 per share.

About Victhom

Victhom discovers, develops and manufactures bionic devices involved in the treatment of a variety of physical and physiological dysfunctions. Victhom's wholly owned subsidiary, Victhom Bionized Inc., develops biomechatronic products to support or replace peripheral limbs in what is known as the orthotics and prosthetics market. Victhom also has a 44.4% interest in Neurostream Technologies, General Partnership, a joint venture with Otto Bock HealthCare GmbH, which focuses on the development and commercialization of technologies and products involving devices that feature neurosensing and neurostimulation components, integrated with artificial intelligence.

FORWARD-LOOKING STATEMENTS

Some of the statements made herein may constitute forward-looking statements. These statements relate to future events or our future financial performance and involve known and unknown risks, uncertainties and other factors that may cause Victhom's actual results, performance or achievements to be materially different from those expressed or implied by any of Victhom's statements. Actual events or results may differ materially. We disclaim any intention, and assume no obligation, to update these forward-looking statements.

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Source: Victhom Human Bionics Inc.

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