

Press release

For immediate release

VICTHOM DISCLOSES SECOND QUARTER 2010 FINANCIAL RESULTS

Quebec (Canada), August 27, 2010 - Victhom Human Bionics Inc. (“Victhom”, or “Company”) (TSX-V: VHB)) today reported its second quarter 2010 financial results.

Mr. Normand Rivard, President and CEO of Victhom said: “During the second quarter of 2010, our joint venture Neurostream, continued to make good progress on the development and registration of the commercial version of the Neurostep[®] product with the European regulatory authorities. However, the overall Neurostep[®] project is taking longer than anticipated and Neurostream is late on a partnership milestone on the product registration in Europe that was due on May 1, 2010. Therefore, the European market launch and the start of the U.S. clinical trial for the Neurostep[®] product have been postponed to next year. He added: “Even though the full commercial launch of the Power Knee Second Generation is only anticipated later this year, Victhom received its first royalty payment for units sold as part of the early commercial release to selected rehabilitation centers.”

Second Quarter Results

For the quarter ended on June 30, 2010, the Company recorded revenues of \$27,901 compared with \$495,736 in 2009, representing a decrease of \$467,835 or 94.4%. The decrease is attributable to the transfer of product support and development activities to Ossur which was completed during the first quarter.

The revenues for the six-month period ended on June 30, 2010 are composed of royalties on the Power Knee II for an amount of \$27,790 (\$0 in 2009), of non-refundable advance royalties for an amount of \$0 (\$1,161,250 in 2009), of support activities for an amount of \$0 (\$16,398 in 2009), and of other sources for an amount of \$2,594 (\$0 in 2009).

R&D expenses, before tax credits and grants, amounted to \$1,241,150 for the three-month period ended on June 30, 2010, compared with \$2,570,920 for the same period in 2009, representing a decrease of \$1,329,770 or 51.7%. For the six-month period ended on June 30, 2010, R&D expenses, before tax credits and grants, amounted to \$2,530,047 compared with \$5,440,152 for the same period in 2009, representing a decrease of \$2,910,105 or 53.5%. The decrease is mainly due to the restructuring of our Biotronix business and to the transfer of our Neurobionix division activities into the Neurostream joint venture, in which the Company has a 44.4% interest.

For the three-month period ended on June 30, 2010, tax credits and grants amounted to \$1,126,214 compared with \$310,909 for the same period in 2009, representing an increase of \$815,305 or 262.2%. Tax credits and grants amounted to \$1,183,370 for the six-month period ended on June 30, 2010, compared with \$659,909 for the same period in 2009, representing an increase of \$523,461 or 79.3%. The increase is mainly explained by amended tax credit claims for previous years for which the Company received positive confirmation and payment from tax authorities.

For the three-month period ended on June 30, 2010, G&A expenses, net of non-cash stock-based compensation charges of \$166, amounted to \$745,978 compared with \$479,317 for the same period in 2009, representing an increase of \$266,661 or 55.6%. G&A expenses, net of non-cash stock-based compensation of \$332, for the six-month period ended on June 30, 2010, amounted to \$1,088,559 compared with \$1,096,315 for the same period in 2009, representing a decrease of \$7,756 or 0.7%. The decrease in G&A expenses is due to staff reduction in administrative functions. However, the G&A expenses include non-recurring professional fees related to amended investment tax credits, received during the second quarter of 2010, offset by non-recurring professional fees related to the completion of the transaction approved by plan of arrangement in June 2009.

Financial expenses, net of exchange rate loss on preferred shares of \$274,614, for the three-month period ended on June 30, 2010, amounted to \$361,536 compared with financial expenses, net of exchange rate gain on convertible debentures and preferred shares of \$2,409,401, for the same period in 2009, which amounted to \$662,867, representing a decrease of \$301,331 or 45.5%.

For the six-month period ended on June 30, 2010, financial expenses, net of exchange rate gain on preferred shares of \$1,969, amounted to \$733,356 compared with financial expenses, net of exchange rate gain on convertible debentures and preferred shares of \$1,691,859, for the same period in 2009, which amounted to \$1,344,892, representing a decrease of \$611,536 or 45.5%. The decrease is mainly explained by lower interests on the liability component of the financial instruments due to the conversion of the convertible debentures into preferred shares on June 17, 2009. The decrease is also partially explained by higher interest on long-term debts and negative impact of foreign exchange fluctuations on operations.

Shareholders' equity (deficiency) amounted to \$(2,055,247) on June 30, 2010, compared with \$1,080,520 on December 31, 2009. Total assets amounted to \$7,716,260 on June 30, 2010, compared with \$10,859,697 on December 31, 2009.

Financial Situation

As of June 30, 2010, the company had \$172,185 in cash. For the six-month period ended on June 30, 2010, the net decrease in cash was \$938,027 compared with an increase of \$809,154 for the same period in 2009. During the second quarter 2010, the cash was used in operating activities and to reimburse the demand loan, partially offset by cash provided by capital contribution and a note payable to Otto Bock through the Neurostream joint venture.

The Company expects to incur additional expenditures to complete the development and marketing of its Neurobionix products. The Management believes that, with its financial situation, the parent company Victhom will have sufficient liquidity to support its cash flow requirements for at least the next twelve months. However, Management believes that its joint venture Neurostream will require additional financing to fund its continuing operations.

As of June 30, 2010, even though Neurostream had not achieved a milestone that was due on May 1, 2010, Otto Bock has continued funding Neurostream's operations on a voluntary basis. The outcome of this situation is dependent on a number of factors that are not entirely under the Company's control. As a result, there is uncertainty as to whether the Company's joint venture will have the ability to continue as going concern.

Even so, the unaudited interim consolidated financial statements ended on June 30, 2010 do not reflect any adjustments that might be necessary if Neurostream is not successful in achieving the partnership milestones and in obtaining its required financing from its joint venture partner. Such adjustments could be material and could have a significant adverse effect on the Company's unaudited interim consolidated financial statements.

On August 26, 2010, the number of common shares outstanding totaled 15,529,313 while 563,112 options were granted under the stock option plan. The outstanding options are exercisable at a weighted average exercise price of \$3.61 per share. On August 26, 2010, the number of Series A preferred shares outstanding totaled 21,065,361 which can be converted into common shares, at any time and from time to time, at the holder's option on a 1-for-1 basis.

About Victhom

Victhom discovers, develops and manufactures bionic devices involved in the treatment of a variety of physical and physiological dysfunctions. Victhom Biotronix business developed the Power Knee, the world's first and only motor-powered, artificially intelligent prosthesis for above-knee amputees. The Power Knee is commercialized by Ossur, a global leader in the orthotics and prosthetics ("O&P") market. Victhom also has a 44.4% interest in Neurostream Technologies, General Partnership, a joint venture with Otto Bock HealthCare, whose objective is to bring to market the Neurostep[®] System, and to develop neuromodulation products in other indications such as sleep apnea.

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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