



**Neuronetics Appoints Vice President of Health Policy and Government Relations
— Mary Hailey to Strengthen Reimbursement Team for NeuroStar TMS Therapy® —**

Malvern, PA, March 2, 2011 – Neuronetics, Inc., today announced that Mary Hailey, an industry executive with more than 25 years of experience in designing and implementing healthcare reimbursement strategies, has been appointed as Vice President, Health Policy and Government Relations. In her new role, Hailey will manage payer and employer relations as well as oversee the development and execution of reimbursement strategy for NeuroStar TMS (transcranial magnetic stimulation) Therapy®, a non-invasive neuromodulation treatment for adults with major depressive disorder who have not benefitted from prior antidepressant medication. Hailey succeeds Stan Miller, who will move into the role of Vice President, New Business Development.

“Ms. Hailey brings a track record of extraordinary success in securing reimbursement for new technologies and we are pleased to welcome her to our senior management team,” said Bruce Shook, President and Chief Executive Officer of Neuronetics. “We are confident that Ms. Hailey will continue to build on our existing momentum in securing coverage and payment for NeuroStar TMS Therapy, especially in light of the Category I CPT® codes recently approved for billing TMS Therapy medical services.”

Prior to joining Neuronetics, Hailey served as the Vice President of Healthcare Policy and Government Relations for Monterey Advisors, a strategic medical technology and management consulting firm. Working closely with institutional investors, Monterey Advisors conducted due diligence activities across a broad spectrum of operational responsibilities to evaluate various private equity medical technology investment opportunities and assisted in operating actual investments when realized. Previously, Hailey was at Medtronic where she was the Vice President of Health Care Policy and Government Relations for the Kyphon business unit, following its 2007 acquisition.

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Hailey joined Kyphon in 1999 as Director of Reimbursement and led global reimbursement strategies for Kyphon's Kyphoplasty treatment for spinal fractures, which resulted in broad coverage in both the private payer and government communities. By the time she was named Vice President of Healthcare Policy and Government Relations in 2001, Hailey had built a team to support reimbursement for a new technology and procedure that the market and payers had not previously seen. By working closely with physicians and payers she achieved broad coverage for the treatment and instituted a sales organization reimbursement compliance and training program. The company grew to more than \$600 million in annual revenue prior to its \$4.2 billion acquisition by Medtronic.

Prior to her nine years with Kyphon, Hailey served as Director of Third Party Relations and Reimbursement for Sulzer Spine-Tech where she secured payer coverage for spinal fusion products and developed a comprehensive payer relations program. Hailey also owned and ran Hailey & Heinrich consultancy, where she oversaw a variety of reimbursement projects. Hailey holds a bachelor's of science from the University of Wisconsin Stout and is a certified case manager and certified disability management specialist.

"Working with Neuronetics represents a great and exciting opportunity to leverage my extensive experience in developing reimbursement strategy, forging relationships and contributing to the commercial success of NeuroStar TMS, which is a novel and potentially life-changing psychiatric treatment," said Hailey. "Because TMS Therapy has become a standard of care and was recently added to the APA Practice Guideline for Major Depressive Disorder, now is the time to ensure that NeuroStar TMS Therapy is a covered treatment option for the thousands of patients who may benefit from it."

In January 2011, two Category I Current Procedural Terminology (CPT) codes for TMS Therapy, the type of procedure performed using the NeuroStar TMS Therapy system, were released into private and government payer systems. The availability of CPT-I codes for a new treatment modality indicates the treatment is an accepted standard of care for a patient population. In addition, TMS Therapy was added to the American Psychiatric Association 3rd Edition Practice Guideline for the treatment of Patients with Major Depressive Disorder.

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About NeuroStar TMS Therapy

Neuronetics' NeuroStar TMS Therapy system was cleared by the FDA in October 2008 for the treatment of Major Depressive Disorder. NeuroStar TMS Therapy® is indicated for the treatment of Major Depressive Disorder in adult patients who have failed to achieve satisfactory improvement from one prior antidepressant medication at or above the minimal effective dose and duration in the current episode. NeuroStar TMS Therapy is a non-systemic (does not circulate in the bloodstream throughout the body) and non-invasive (does not involve surgery) form of neuromodulation. It stimulates nerve cells in an area of the brain that has been linked to depression by delivering highly focused MRI-strength magnetic field pulses. The treatment is typically administered daily for 4-6 weeks.

In clinical trials, patients treated with active NeuroStar TMS Therapy experienced an average reduction in their depression symptom score of 22.1% compared to a 9% reduction in patients receiving inactive treatment. In an open-label clinical trial, which is most like real world clinical practice, approximately 1 in 2 patients experienced significant improvement in symptoms, and 1 in 3 experienced complete symptom resolution¹. There were no systemic side effects such as those experienced with some antidepressant medications. The most common adverse event related to treatment was scalp pain or discomfort at the treatment area during active treatment. There is a rare risk of seizure with TMS Therapy (0.1% of patients under general clinical use).

NeuroStar TMS Therapy is contraindicated in patients with non-removable metallic objects in or around the head. It is not indicated or effective for all patients with depression and it is available only upon the prescription of a psychiatrist. For full safety and prescribing information, visit www.NeuroStarTMS.com.

Availability of NeuroStar TMS Therapy

Treatment with NeuroStar TMS Therapy is available at more than 270 treatment centers in 38 states. For information on specific treatment locations that offer NeuroStar TMS Therapy, please visit www.NeuroStar.com or call Neuronetics Customer Service Center at (877) 600-7555.

About Neuronetics

Neuronetics, Inc. is a privately-held medical device company focused on developing non-invasive therapies for psychiatric and neurological disorders using MRI-strength magnetic field pulses.

Based in Malvern, PA, Neuronetics is the leader in the development of TMS Therapy, a non-invasive form of neuromodulation. Neuronetics was created as a spinout of The Innovation Factory, a medical device incubator in Duluth, GA. For more information, please visit www.neuronetics.com.

1. Demitrack MA, Thase ME, *Psychopharmacology Bulletin* 2009; 42(2):5-38.

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