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**NEUROSTAR® TMS THERAPY IMPROVED QUALITY OF LIFE IN PATIENTS WITH
MAJOR DEPRESSION IN CLINICAL TRIALS**

Separate Research Shows Significant Improvement of Symptoms in Open-label Trial

San Diego, May 21, 2007 – New research on patients with moderate-to-severe depression, who had not received adequate benefit from previous antidepressant therapy, demonstrated that NeuroStar TMS (Transcranial Magnetic Stimulation) Therapy significantly improved quality of life and functioning when compared to patients receiving sham (placebo) treatment. The new data were presented today at the American Psychiatric Association's (APA) annual meeting.

“Symptom control is only meaningful in so far as it improves patients’ ability to function and enjoy life, which is an essential part of the recovery process,” said H. Brent Solvason, MD, PhD, Assistant Professor of Psychiatry at Stanford University. Dr. Solvason was a primary investigator in the NeuroStar TMS Therapy™ studies and is the lead author of this data report. “Ideally, the combination of both symptomatic and functional improvement should be the goal of treatment.”

At baseline, the study population (N = 301) had significant symptomatic and functional impairment related to depression. After four weeks of treatment, patients receiving

NeuroStar TMS Therapy (N = 155) experienced statistically significant improvements in the General Health (P = 0.049) and Mental Health (P = 0.006) subscales, as well as Mental Component Score (P = 0.019) of the SF-36, a widely used health outcomes measure. After six weeks, significant improvements were also seen in the SF-36 Role-Emotional (P = 0.044) subscale and the Quality of Life Enjoyment and Satisfaction Questionnaire--Q-LES-Q (P = 0.035), a common measurement tool used to assess quality of life in patients suffering from depression. The effect sizes observed in functional status improvement were similar in magnitude to the effect sizes observed in symptomatic benefit.

“These data demonstrate that NeuroStar TMS Therapy produced significant improvements in depressive symptoms that were accompanied by concurrent improvements in patient-reported functional status and quality of life,” said Dr. Solvason.

Significant Improvement of Depression Symptoms in Open-label Trial

A second trial presented at APA evaluated the acute efficacy of NeuroStar TMS Therapy in an open-label setting, which more closely resembles real-world clinical practice. In the open-label study, NeuroStar TMS Therapy was administered as monotherapy in 158 patients for a six week period. At the end of six weeks, there was a three week taper phase, which included co-administration of medication monotherapy. Patients treated with NeuroStar TMS Therapy experienced a significant improvement in symptoms, from baseline, as early as Week Two. NeuroStar TMS Therapy-treated patients also achieved a 42 percent response rate and a 27 percent remission rate at the end of six weeks, as measured by the 24-item Hamilton Depression Rating Scale (HAM-D-24). At the end of the taper phase, the response rate increased to 46 percent and the remission rate increased to 37 percent. The response rate is the percentage of patients who

experienced at least a 50 percent improvement in symptoms. The remission rate is the percentage of patients who experienced a virtually complete resolution of symptoms.

“The clinical significance of the treatment benefit is demonstrated by the substantial proportion of patients who achieved both response and the more stringent outcome of remission,” said Mark A. Demitrack, MD, Chief Medical Officer for Neuronetics, a psychiatrist, and an author of the study. “The clinical significance of these data can also be demonstrated by comparison with the recently reported outcomes from the large, open-label STAR*D treatment study. Remission rates with NeuroStar TMS Therapy observed in this study met or exceeded those reported for STAR*D when patients were stratified by level of prior treatment failure.”

The NeuroStar TMS Therapy system is an investigational, non-invasive medical device studied clinically for the treatment of depression. NeuroStar TMS Therapy is administered as an outpatient procedure, does not require anesthesia or sedation, and can be performed in a psychiatrist’s office. It works by delivering highly focused MRI-strength magnetic field pulses that stimulate nerve cells in the brain that are linked to depression.

Neuronetics, Inc. is seeking marketing clearance for NeuroStar TMS Therapy in patients with major depression who have failed to receive adequate benefit from previous treatment. If cleared by the FDA, it will be the first and only treatment of its kind in the U.S. for the treatment of major depression.

About Depression

Depression affects at least 14 million American adults each year. Researchers estimate that by the year 2020, depression will be the second leading cause of disability worldwide. The economic burden of depression in 2000 was estimated at \$83.1 billion in the US. Women are almost twice as likely as men to suffer from depression. However, some experts feel that depression in men is under-reported. Depression has no racial, ethnic, or socioeconomic boundaries. About two-thirds of those who experience an episode of depression will have at least one other episode in their lives. Despite major advances in treating this debilitating illness, nearly 30 percent of patients with depression do not benefit from or are intolerant of antidepressant therapy.

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. For more information, visit www.neuronetics.com.

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