



**For Immediate Release Tuesday, June 15, 2004**

**FDA ADVISORY PANEL RECOMMENDS APPROVAL OF  
CYBERONICS' DEPRESSION DEVICE**

***Conference Call Scheduled for June 16, 2004 at 4:00 PM EDT***

HOUSTON, Texas, June 15, 2004 -- Cyberonics, Inc. (NASDAQ:CYBX) announced that the Neurological Devices Panel of FDA's Medical Devices Advisory Committee today voted 5 to 2 to recommend approval with conditions of Cyberonics' VNS Therapy™ System "as an adjunctive long-term treatment of chronic or recurrent depression for patients over the age of 18 who are experiencing a major depressive episode that has not had an adequate response to four or more adequate antidepressant treatments." Regarding conditions, the Panel recommended several labeling changes, that the VNS depression prescribers and implanting surgeons have appropriate experience and adequate training in the implantation and programming of the VNS Therapy System, that patients receive adequate education and that Cyberonics implement a long-term depression patient registry following approval. FDA's Division of General and Restorative Neurological Devices will consider the deliberations, vote and recommendation of the Advisory Panel and make the final decision on approval of the VNS Therapy System for the proposed indication for use.

"The Panel's recommendation represents a major step forward toward U.S. availability of the first FDA-approved, safe, tolerable and effective long-term treatment for patients with treatment-resistant depression," commented Robert P. ("Skip") Cummins, Cyberonics' Chairman of the Board and Chief Executive Officer. "Millions of Americans today suffer from treatment-resistant depression (TRD), a devastating, lifelong and life-threatening illness. According to published studies, 15% of previously hospitalized patients commit suicide and annual depression treatment costs in the United States exceed \$30 billion including \$13.7 billion for drugs alone. Today's Panel vote suggests that not only was there agreement on the significant unmet need, but also that the comprehensive one-year data and analyses on 460 patients included in Cyberonics' PMA-Supplement demonstrated the safety and effectiveness of VNS Therapy as an adjunctive long-term treatment for chronic or recurrent treatment-resistant depression.

"Cyberonics is looking forward to working with FDA to finalize labeling that will ensure informed use of VNS Therapy, implement the Panel's recommendations and obtain a timely approvability decision," continued Mr. Cummins. "The Panel's recommended conditions are consistent with Cyberonics'

depression plans and epilepsy history, including the proposed depression patient registry, which will be similar to our existing epilepsy registry. The Panel's vote is a tribute to the patients, families, psychiatrists and other clinicians whose courage, determination and pioneering spirit made the last six years of depression clinical studies possible. Special thanks go to (1) the six VNS patients, Drs. John Rush and Harold Sackeim, the American Psychiatric Association and the Depression and Bipolar Society of America for speaking at today's meeting, (2) the Advisory Panel and FDA for their timely reviews of our PMA-Supplement and all supporting information and (3) last but not least to the dedicated men and women on Cyberonics' depression team led by Dr. Richard Rudolph, Vice President of Clinical and Medical Affairs and Chief Medical Officer and Alan Totah, Vice President of Regulatory Affairs and Quality for their unwavering commitment to the 4 million Americans and their families suffering with TRD.

"Cyberonics' mission is to improve the lives of people touched by epilepsy, depression and other chronic illnesses that prove to be treatable with our patented therapy, VNS," concluded Mr. Cummins. "The plan to accomplish our mission in epilepsy in fiscal 2005 has been implemented and the plan to properly scale our organization to accomplish our mission in depression will be implemented as soon as we are confident of depression approval."

#### **ABOUT TREATMENT-RESISTANT DEPRESSION**

Major Depressive Disorder (MDD) is one of the most prevalent and serious illnesses in the United States, affecting nearly 19 million Americans over the age of 18 in any given year. MDD is the second most disabling condition for the general population and the most disabling condition for females in the United States. Approximately 9.5 million Americans are treated annually for depression and MDD is associated with increased mortality due to suicide and comorbid general medical conditions including heart disease and stroke. Depressed patients use twice the healthcare services as non-depressed patients. Total annual costs of depression in the U.S. exceed \$80 billion including \$30 billion of annual direct treatment costs.

Most psychiatrists agree that treatment-resistant depression (TRD) is a major depressive episode that has not had an adequate response to two or more adequate antidepressant treatments at appropriate dose and duration. Twenty percent of depressed Americans or approximately 4 million people suffer from TRD. Patients with TRD are often isolated, hopeless, desperate, and unemployed. People with TRD frequently visit the emergency room and are hospitalized. Studies show that annual healthcare costs for patients with TRD exceed \$40,000 per patient per year. A person with depression is 35 times more likely to commit suicide than a person not experiencing depression and 15 percent of previously hospitalized depressed patients commit suicide.

Although there are many safe and effective acute antidepressants including medications, psychotherapy and electro-convulsive therapy (ECT), there are no FDA-approved, informed-use, safe and effective long-term treatments for TRD. Multiple medication combinations are used to treat TRD without evidence of long-term safety and efficacy. ECT, the most effective acute antidepressant, is often declined, and is of

limited long-term value due to cognitive side effects and high relapse/recurrence rates within six months of treatment.

### **CONFERENCE CALL**

A conference call to discuss the panel meeting and vote will occur at 4:00 PM EDT on Wednesday, June 16, 2004. The conference call may be accessed by dialing 877-451-8943 (if dialing from within the U.S.) or 706-679-3062 (if dialing from outside the U.S.). The conference ID is 8044598; the leader is Pam Westbrook. A replay of the conference call will be available two hours after the completion of the conference call on Wednesday, June 16, 2004 through Wednesday June 30, 2004 by dialing 800-642-1687 (if dialing from within the U.S.) or 706-645-9291 (if dialing outside the U.S.). The replay conference ID access code is 8044598.

### **ABOUT VNS THERAPY AND CYBERONICS**

Cyberonics, Inc. (NASDAQ:CYBX) was founded in 1987 to improve the lives of people touched by epilepsy and other inadequately treated chronic disorders that prove to be treatable with the Company's patented device-based therapy, Vagus Nerve Stimulation (VNS Therapy). Cyberonics designs, develops and markets the VNS Therapy System, a fully implantable medical device consisting of a pacemaker-like generator and a nerve stimulation electrode that delivers mild, chronic intermittent pulsed electrical signals to the vagus nerve in the left side of the patient's neck. The generator and electrode are surgically implanted in a straightforward, one-hour, outpatient procedure that does not involve the brain. Neuroimaging studies show that stimulation of the left vagus nerve produces widespread and bilateral effects in parts of the brain implicated in epilepsy, depression, anxiety, memory, etc. and responsible for modulation of key neurotransmitters such as serotonin and norepinephrine. In terms of patient benefits, many pharmaco-resistant epilepsy patients treated with VNS Therapy have realized long-term improvements in seizure control, not at the expense of, but in combination with improvements in key quality of life measures such as alertness, mood, memory, post-seizure recovery period, etc. The Company holds the rights to numerous device patents covering the generator and electrode and method patents covering the application of a pulsed electrical signal to the vagus, trigeminal and glossopharyngeal nerves for the treatment of a variety of disorders including epilepsy, depression, Alzheimer's Disease, anxiety, headache and pain, eating disorders and congestive heart failure. The Company is headquartered in Houston, Texas and has an office in Brussels, Belgium. For additional information please visit us at [www.cyberonics.com](http://www.cyberonics.com).

**Epilepsy:** Epilepsy, a disorder characterized by recurrent seizures, is the second most prevalent neurological disorder. An estimated 425,000 Americans suffer from pharmaco-resistant epilepsy that does not respond to anticonvulsant medications. The Cyberonics VNS Therapy System was approved by the FDA on July 16, 1997 for use as an adjunctive therapy in reducing the frequency of epileptic seizures in adults and adolescents over 12 years of age with partial onset seizures that are refractory to antiepileptic medications. The VNS Therapy System is also approved for sale as a treatment for epilepsy in all the member countries of the European Economic Area, Canada, Australia and other markets. To

date, more than 29,000 epilepsy patients in 24 countries have accumulated over 72,000 patient years of experience using VNS Therapy.

**Depression:** Major Depressive Disorder (MDD) is one of the most prevalent and serious illnesses in the world, affecting nearly 19 million Americans over the age of 18 in any given year. MDD is the fourth most disabling condition worldwide and the second most disabling condition in the U.S. Total annual costs of depression in the U.S. exceed \$80 billion including \$30 billion of annual direct treatment costs. Twenty percent of depressed Americans or approximately 4 million people suffer from treatment-resistant depression (TRD) defined as a depressive episode that has failed to respond to at least two antidepressant treatments of adequate dose and duration. Patients with TRD are often isolated, hopeless, desperate, and unemployed. Studies show that annual healthcare costs for patients with TRD exceed \$40,000 per patient per year. A person with depression is 35 times more likely to commit suicide than a person not experiencing depression and 15 percent of previously hospitalized depressed patients commit suicide. Although there are many safe and effective acute antidepressants including medications, psychotherapy and electro-convulsive therapy (ECT), there are no FDA-approved, informed-use, safe and effective long-term treatments for TRD. Multiple medication combinations are used to treat TRD without evidence of long-term safety and efficacy. ECT, the most effective acute antidepressant, is often declined, and is of limited long-term value due to cognitive side effects and high relapse/recurrence rates within six months of treatment.

The VNS Therapy System is approved for sale in the European Economic Area and in Canada as a treatment for depression in patients with treatment-resistant or treatment intolerant major depressive episodes including unipolar depression and bipolar disorder (manic depression). On June 15, 2004, FDA's Neurological Devices Advisory Panel voted 5 to 2 to recommend approval with conditions of Cyberonics' VNS Therapy™ System "as an adjunctive long-term treatment of chronic or recurrent depression for patients over the age of 18 who are experiencing a major depressive episode that has not had an adequate response to four or more adequate antidepressant treatments." FDA's Division of General and Restorative Neurological Devices will consider the deliberations, vote and recommendation of the Advisory Panel and make the final decision on approval of the VNS Therapy System for the proposed indication for use.

**Other Disorders:** Pilot studies are underway evaluating VNS Therapy as a potential treatment for anxiety disorders, Alzheimer's disease and chronic headache/migraine.

### **FORWARD-LOOKING STATEMENTS**

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Exchange Act of 1934, as amended. These statements can be identified by the use of forward-looking terminology, including "may," "believe," "will," "expect," "anticipate," "estimate," "plan," "intend," and "forecast," or other similar words. Such forward-looking statements include statements concerning obtaining regulatory approval for VNS

Therapy as a treatment for depression. Statements contained in this press release are based upon information presently available to us and assumptions that we believe to be reasonable. We are not assuming any duty to update this information should those facts change or should we no longer believe the assumptions to be reasonable. Our actual results may differ materially. Important factors that may cause actual results to differ include, but are not limited to: continued market acceptance of VNS Therapy and sales of our product; the development and satisfactory completion of clinical trials and/or market test and/or regulatory approval of VNS Therapy for the treatment of depression, Alzheimer's disease, anxiety, or other indications; adverse changes in coverage or reimbursement amounts by third-parties; intellectual property protection and potential infringement claims; maintaining compliance with government regulations and obtaining necessary government approvals for new applications; product liability claims and potential litigation; reliance on single suppliers and manufacturers for certain components; the accuracy of management's estimates of future expenses and sales; and other risks detailed in from time to time in the Company's filings with the SEC.

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