Cyberonics Announces Investment In cerbomed GmbH

The Associated Press

Cyberonics, Inc.

(NASDAQ:CYBX), a global leader in medical devices for the treatment and management of epilepsy, today announced an initial investment of ? 2 million in cerbomed GmbH ("cerbomed"). Based in Erlangen, Germany, cerbomed is a privately-held company developing a non-invasive neurostimulation device for the treatment of epilepsy. The NEMOS@ t-VNS device received CE Mark approval for the treatment of epilepsy and depression in 2010 and for pain in 2012 and is now commercially available in Germany and Austria.

The investment in cerbomed can total up to ? 5.5 million, subject to the achievement of certain clinical milestones. Cyberonics is a minority shareholder with certain rights, including representation on cerbomed's advisory board and an exclusive option for worldwide sales and distribution of the NEMOSsystem for the treatment of epilepsy.

The initial investment will be used to fund cerbomed's current clinical trial in epilepsy in Germany. Subject to certain conditions, Cyberonics has the option to conduct a trial in the U.S. for the purpose of seeking FDA approval.

"As a company focused on device solutions for epilepsy, an investment in cerbomed's technology is aligned with our strategic priorities and core expertise," said Dan Moore, Cyberonics' President and Chief Executive Officer. "We are excited about the opportunity to invest in a technology that may provide more patients with epilepsy another device-based therapeutic option and opportunity for improved quality of life." Andreas Hartlep, cerbomed's Chief Executive Officer, added, "We are delighted to welcome Cyberonics, the world market leader in vagus nerve stimulation, as our strategic global partner for the epilepsy indication. We look forward to our collaboration and continuing to understand how transcutaneous and implantable vagus nerve stimulation may be complementary technologies and provide benefit to patients." About Cyberonics, Inc. and the VNS Therapy@ System Cyberonics, Inc. is a medical technology company with core expertise in neuromodulation. The company developed and markets the VNS Therapy System, which is FDA-approved for the treatment of medically refractory epilepsy and treatment-resistant depression. The VNS Therapy System is a medical device that delivers pulsed electrical signals to the vagus nerve and is implanted during an outpatient procedure. Cyberonics markets the VNS Therapy System in selected markets worldwide.

Additional information on Cyberonics and the VNS Therapy System is available at www.cyberonics.com.

About cerbomed GmbH Cerbomed is a privately-held medical device company that has developed a neurostimulation device, NEMOS, for the treatment of drug-resistant epilepsy. Cerbomed is developing its transcutaneous (non-invasive) vagus nerve stimulation technology, t-VNS, for a variety of other neurological disorders, including depression and migraine, as well.

Cerbomed's lead investor, MIG AG, is one of Germany's largest venture capital funds. Other investors include state-owned KfW Banking Group and S-Refit AG. Additional information on cerbomed and the NEMOS t-VNS technology is available at www.cerbomed.com.

Safe harbor statement 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," "forecast," "could," or other similar words. Statements contained in this press release are based on information presently available to us and assumptions that we believe to be reasonable. We are not assuming any duty to update this information if those facts change or if we no longer believe the assumptions to be reasonable. Investors are cautioned that all such statements involve risks and uncertainties, including without limitation, statements concerning investing up to ? 5.5 million in cerbomed, developing and commercializing cerbomed's non-invasive neurostimulation device for the treatment of epilepsy, initiating and completing a pivotal clinical study in the U.S., and obtaining U.S.

marketing approval for cerbomed's non-invasive neurostimulation device for the treatment of epilepsy. 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 other indications; satisfactory completion of post-market studies required by the U.S.

Food and Drug Administration as a condition of approval for the treatment-resistant depression indication; 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 indications; 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; the potential identification of material weaknesses in our internal controls over financial reporting; risks and costs associated with any governmental inquiries and any litigation relating thereto, and other risks detailed from time to time in our filings with the Securities and Exchange Commission (SEC). For a detailed discussion of these and other cautionary statements, please refer to our most recent filings with the SEC, including our Annual Report on Form 10-K for the fiscal year ended April 27, 2012 and our Quarterly Report on Form 10-Q for the fiscal quarter ended July

27, 2012.

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-0- 09/20/2012 /Web Site: http://www.cyberonics.com (NASDAQ-NMS:CYBX) / CO: Cyberonics, Inc.

ST: Texas Germany IN: HEA MTC SPM MEQ SU: FNC PRN -- DA78211 -- 0000 09/20/2012 14:23:22 EDT http://www.prnewswire.c