



April 1, 2015

EDAP Reports Fourth Quarter and Full Year 2014 Results

2014 and Recent Operational Highlights

- Record revenue in 2014 of EUR 26.8 million (USD 35.4 million); 11% growth over the previous year;
- Full-year HIFU revenue increased 70% over 2013;
- Strong Cash position of EUR 12.1 million (USD 14.7 million) as of December 31, 2014;
- Filing Direct De Novo petition for Ablatherm HIFU per FDA discussions.

LYON, France, April 1, 2015 (GLOBE NEWSWIRE) -- EDAP TMS SA (Nasdaq:EDAP), the global leader in therapeutic ultrasound, announced today financial results for the fourth quarter and year ended December 31, 2014, and provided an update on recent strategic developments.

Marc Oczachowski, EDAP's Chief Executive Officer, stated, "We are very pleased by our 2014 global revenue and the 11% growth over 2013, driven by a 70% increase in revenues from the HIFU division. This solid year-over-year growth in HIFU revenues is a reflection of the growing acceptance and recognition of our HIFU technology worldwide for the non-invasive treatment of prostate cancer. We also benefited from the early adoption of our recently launched Focal One device. We continue to experience growing interest in the focal approach of prostate cancer treatment, which complements our Ablatherm HIFU, giving us a unique and comprehensive HIFU offering for the global market.

"We are particularly pleased with the performance of Focal One, as we sold six systems in 2014 compared to one in the prior year. In the first quarter of 2015, we brought this next-generation technology to North America following clearance of the device by Health Canada. I am proud to say that we closed our first Focal One sale, to Montreal Jewish General Hospital, just two months after receiving regulatory clearance in January."

Mr. Oczachowski added, "Foremost among our accomplishments was a recent FDA meeting, at which they recommended we seek clearance of Ablatherm HIFU via a Direct De Novo 510(k) petition. This is encouraging news and a huge opportunity, as we believe it may accelerate the commercialization of our technology in the US."

Fourth Quarter 2014 Results

Total revenue for the fourth quarter 2014 was EUR 6.5 million (USD 8.0 million), compared to EUR 8.1 million (USD 11.0 million) for the fourth quarter 2013.

Total revenue for the HIFU division was EUR 1.0 million (USD 1.3 million) for the fourth quarter 2014, compared to EUR 1.5 million (USD 2.1 million) for the same period last year.

For the three months ended December 31, 2014, total revenue for the lithotripsy division was EUR 5.5 million (USD 6.7 million), compared to EUR 6.6 million (USD 8.9 million), during the year ago period. During the fourth quarter 2014, the Company recorded sales of 14 lithotripsy machines, comprised of 12 Sonolith i-move devices and two Sonolith i-sys devices, which compares to a total of 18 devices sold in the fourth quarter of 2013.

Gross profit for the fourth quarter 2014 was EUR 2.4 million (USD 3.0 million), compared to EUR 3.3 million (USD 4.4 million) for the year ago period. Gross profit margin on net sales was 37.3% in the fourth quarter of 2014, compared to 40.1% in the year ago period.

Operating expenses were EUR 3.5 million (USD 4.3 million) for the fourth quarter 2014, compared to EUR 3.0 million (USD 4.1 million) for the same period in 2013.

Operating loss for the fourth quarter was EUR 1.0 million (USD 1.3 million), compared with operating income in the fourth quarter of 2013 of EUR 226,000 (USD 309,000).

Net loss for the fourth quarter 2014 was EUR 2.6 million (USD 3.3 million), or EUR 0.11 per diluted share, as compared to EUR 570,000 (USD 778,000), or EUR 0.03 per diluted share, in the year ago period. Net loss in the fourth quarter 2014 included a

non-cash interest expense of EUR 1.2 million to adjust the accounting fair value of the outstanding warrants.

Full-year 2014 Financial Results

Total revenue for the twelve months ended December 31, 2014 was EUR 26.8 million (USD 35.4 million), up 11.2% compared to EUR 24.1 million (USD 32.0 million) in 2013.

Total revenue for the HIFU division was EUR 8.7 million (USD 11.5 million) for 2014, compared to EUR 5.1 million (USD 6.8 million) in 2013, a year-over-year increase of 70.0%.

Lithotripsy division revenue was EUR 18.1 million (USD 23.9 million), compared to EUR 19.0 million (USD 25.2 million) in 2013.

Gross profit for the year was EUR 11.2 million (USD 14.8 million), with gross profit margin on net sales of 40.6%, compared to 38.7% a year ago.

Operating loss was EUR 1.7 million (USD 2.3 million), an improvement of EUR 1.0 million over operating loss of EUR 2.8 million (USD 3.7 million) in 2013. Operating loss for the year 2014 included FDA-related costs of EUR 1.2 million (USD 1.6 million).

Full-year net loss was EUR 512,000 (USD 676,000), or EUR 0.02 per diluted share, as compared to net loss of EUR 5.0 million (USD 6.7 million), or EUR 0.24 per diluted share, in 2013. Net loss in the full year 2014 included non-cash interest income of EUR 1.8 million to adjust the accounting fair value of the outstanding warrants.

At December 31, 2014, cash and cash equivalents, including short-term treasury investments, were EUR 12.1 million (USD 14.7 million).

Conference Call

EDAP will hold a conference call on Thursday, April 2, 2015 at 8:30 a.m. EDT to discuss the results and provide an update on recent business developments. The dial-in numbers are 1-888-348-6419 in the U.S., and 1-412-902-4235 for international callers. The conference ID number for both is 10062222. A live webcast of the conference call will be available online from the investor relations page of the Company's corporate website at www.edap-tms.com.

After the live event, the webcast will remain available on EDAP's website, www.edap-tms.com, through May 2, 2015. In addition, a dial-in replay of the call will be available until April 9, 2015. The replay dial-in numbers are 1-877-870-5176 for domestic callers and 1-858-384-5517 for international callers. Please use event passcode 10062222.

About EDAP TMS SA

EDAP TMS SA markets today Ablatherm® for high-intensity focused ultrasound (HIFU) treatment of localized prostate cancer outside the U.S. HIFU treatment is shown to be a minimally invasive and effective treatment option with a low occurrence of side effects. Ablatherm-HIFU is generally recommended for patients with localized prostate cancer (stages T1-T2) who are not candidates for surgery or who prefer an alternative option, or for patients who failed radiotherapy treatment. Ablatherm-HIFU is approved for commercial distribution in Europe and some other countries including Mexico and Canada. EDAP TMS is currently pursuing a Direct De Novo 510(K) petition in parallel to a PMA for Ablatherm clearance by the U.S. FDA. The Company also markets an innovative robot-assisted HIFU device, the Focal One®, dedicated to focal therapy of prostate cancer. Focal One® is CE marked but is not FDA approved. The Company also develops its HIFU technology for the potential treatment of certain other types of tumors. EDAP TMS SA also produces and distributes medical equipment (the Sonolith® lithotripters' range) for the treatment of urinary tract stones using extra-corporeal shockwave lithotripsy (ESWL) in most countries including Canada and the U.S. For more information on the Company, please visit <http://www.edap-tms.com>, and <http://www.hifu-planet.com>.

Forward-Looking Statements

In addition to historical information, this press release may contain forward-looking statements. Such statements are based on management's current expectations and are subject to a number of risks and uncertainties, including matters not yet known to us or not currently considered material by us, and there can be no assurance that anticipated events will occur or that the objectives set out will actually be achieved. Important factors that could cause actual results to differ materially from the results anticipated in the forward-looking statements include, among others the uncertainties of the U.S. FDA clearance process, the clinical status and market acceptance of our HIFU devices and the continued market potential for our lithotripsy device. Factors that may cause such a difference also may include, but are not limited to, those described in the Company's filings with the Securities and Exchange Commission and in particular, in the sections "Cautionary Statement on Forward-Looking Information" and "Risk Factors" in the Company's Annual Report on Form 20-F. Ablatherm-HIFU treatment is in clinical trials, but not FDA-cleared or marketed in the United States.

EDAP TMS S.A.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands of Euros and U.S. Dollars, except per share data)

| | Three Months Ended: | | Three Months Ended: | |
|---|-------------------------------|-------------------------------|------------------------------|------------------------------|
| | December 31, 2014 Euros | December 31, 2013 Euros | December 31, 2014 \$US | December 31, 2013 \$US |
| Sales of medical equipment | 3,947 | 5,552 | 4,877 | 7,583 |
| Net Sales of RPP and Leases | 1,111 | 1,033 | 1,372 | 1,411 |
| Sales of spare parts, supplies and Services | 1,398 | 1,492 | 1,727 | 2,038 |
| TOTAL NET SALES | 6,455 | 8,076 | 7,976 | 11,032 |
| Other revenues | 22 | 11 | 27 | 15 |
| TOTAL REVENUES | 6,477 | 8,087 | 8,003 | 11,046 |
| Cost of sales | (4,049) | (4,834) | (5,003) | (6,603) |
| GROSS PROFIT | 2,428 | 3,253 | 3,000 | 4,443 |
| Research & development expenses | (600) | (570) | (741) | (778) |
| S, G & A expenses | (2,857) | (2,457) | (3,531) | (3,356) |
| Total operating expenses | (3,457) | (3,026) | (4,272) | (4,134) |
| OPERATING PROFIT (LOSS) | (1,030) | 226 | (1,272) | 309 |
| Interest (expense) income, net | (1,159) | (662) | (1,432) | (905) |
| Currency exchange gains (loss), net | (402) | (88) | (497) | (120) |
| Other income (loss), net | 6 | (2) | 7 | (3) |
| INCOME (LOSS) BEFORE TAXES AND MINORITY INTEREST | (2,585) | (526) | (3,194) | (719) |
| Income tax (expense) credit | (54) | (44) | (66) | (60) |
| NET INCOME (LOSS) | (2,638) | (570) | (3,260) | (778) |
| Earning per share - Basic | (0.11) | (0.03) | (0.13) | (0.04) |
| Average number of shares used in computation of EPS | 24,865,420 | 21,789,670 | 24,865,420 | 21,789,670 |
| Earning per share - Diluted | (0.11) | (0.03) | (0.13) | (0.04) |
| Average number of shares used in computation of EPS for positive net income | 24,865,420 | 21,789,670 | 24,865,420 | 21,789,670 |

NOTE: Translated for convenience of the reader to U.S. dollars at the 2014 average three months noon buying rate of 1 Euro = 1.2356 USD, and 2013 average three months noon buying rate of 1 Euro = 1.3659 USD.

EDAP TMS S.A.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Amounts in thousands of Euros and U.S. Dollars, except per share data)

| | Twelve Months Ended: | | Twelve Months Ended: | |
|--|-------------------------------|-------------------------------|------------------------------|------------------------------|
| | December 31, 2014 Euros | December 31, 2013 Euros | December 31, 2014 \$US | December 31, 2013 \$US |

| | | | | |
|---|----------------|----------------|----------------|----------------|
| Sales of medical equipment | 16,895 | 14,767 | 22,318 | 19,645 |
| Net Sales of RPP and Leases | 3,957 | 3,922 | 5,227 | 5,218 |
| Sales of spare parts, supplies and Services | 5,400 | 5,375 | 7,133 | 7,151 |
| TOTAL NET SALES | 24,252 | 24,065 | 34,679 | 32,014 |
| Other revenues | 533 | 15 | 704 | 20 |
| TOTAL REVENUES | 26,785 | 24,080 | 35,383 | 32,034 |
| Cost of sales | (15,584) | (14,761) | (20,586) | (19,636) |
| GROSS PROFIT | 11,201 | 9,319 | 14,797 | 12,397 |
| Research & development expenses | (2,932) | (2,595) | (3,873) | (3,452) |
| S, G & A expenses | (10,006) | (9,479) | (13,217) | (12,610) |
| Total operating expenses | (12,937) | (12,074) | (17,090) | (16,062) |
| OPERATING PROFIT (LOSS) | (1,736) | (2,755) | (2,294) | (3,665) |
| Interest (expense) income, net | 1,771 | (901) | 2,340 | (1,198) |
| Currency exchange gains (loss), net | (431) | (1,230) | (569) | (1,636) |
| Other income (loss), net | -- | -- | -- | (1) |
| INCOME (LOSS) BEFORE TAXES AND MINORITY INTEREST | (396) | (4,886) | (524) | (6,500) |
| Income tax (expense) credit | (116) | (135) | (153) | (179) |
| NET INCOME (LOSS) | (512) | (5,021) | (676) | (6,680) |
| Earning per share - Basic | (0.02) | (0.24) | (0.03) | (0.32) |
| Average number of shares used in computation of EPS | 23,601,428 | 20,593,720 | 23,601,428 | 20,593,720 |
| Earning per share - Diluted | (0.02) | (0.24) | (0.03) | (0.32) |
| Average number of shares used in computation of EPS for positive net income | 23,601,428 | 20,593,720 | 23,601,428 | 20,593,720 |

NOTE: Translated for convenience of the reader to U.S. dollars at the 2014 average twelve months noon buying rate of 1 Euro = 1.3210 USD, and 2013 average twelve months noon buying rate of 1 Euro = 1.3303 USD.

EDAP TMS S.A.
CONSOLIDATED BALANCE SHEETS HIGHLIGHTS
(Amounts in thousands of Euros and U.S. Dollars)

| | Dec. 31, 2014 | Sept. 30, 2014 | Dec. 31, 2014 | Sept. 30, 2014 |
|---|--------------------------|---------------------------|--------------------------|---------------------------|
| | Euros | Euros | \$US | \$US |
| Cash, cash equivalents and short term investments | 12,142 | 11,055 | 14,693 | 13,960 |
| Total current assets | 26,552 | 27,578 | 32,130 | 34,825 |
| Total current liabilities | 12,158 | 11,622 | 14,711 | 14,676 |
| Shareholders' Equity | 15,141 | 17,778 | 18,322 | 22,450 |

NOTE: Translated for convenience of the reader to U.S. dollars at the noon buying rate of 1 Euro = 1.2101 USD, on December 31, 2014 and at the noon buying rate of 1 Euro = 1.2628 USD, on September 30, 2014.

EDAP TMS S.A.
CONDENSED STATEMENTS OF OPERATIONS BY DIVISION

TWELVE MONTHS ENDED DECEMBER 31, 2014

(Amounts in thousands of Euros)

| | HIFU Division | UDS Division | FDA Trials | Corporate | Total After Consolidation |
|---|------------------|------------------|----------------|----------------|---------------------------|
| Sales of goods | 5,270 | 11,625 | | | 16,895 |
| Sales of RPPs & Leases | 2,170 | 1,787 | | | 3,957 |
| Sales of spare parts & services | 760 | 4,640 | | | 5,400 |
| TOTAL NET SALES | 8,200 | 18,052 | | | 26,252 |
| Other revenues | 518 | 15 | | | 533 |
| TOTAL REVENUES | 8,718 | 18,067 | | | 26,785 |
| GROSS PROFIT (% of Total Revenues) | 5,035 58% | 6,166 34% | | | 11,201 42% |
| Research & Development | (1,062) | (646) | (1,224) | | (2,932) |
| Total SG&A plus depreciation | (2,812) | (5,680) | | (1,514) | (10,006) |
| OPERATING PROFIT (LOSS) | 1,162 | (160) | (1,224) | (1,514) | (1,736) |

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