

FORM 6 K/A
Amendment No. 1

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Report of Foreign Private Issuer
Pursuant to Rule 13a-16 or 15d-16
under the Securities Exchange Act of 1934

August 17, 2006

EDAP TMS S.A.

Parc d'Activités La Poudrette Lamartine
4/6 Rue du Dauphiné
69120 Vaulx-en-Velin - France

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark whether the registrant by furnishing the information contained in this Form is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

On August 3, 2006, the registrant closed a private placement of 961,676 of its ordinary shares, nominal value €0.13 each, in the form of restricted American Depositary Shares (“ADSs”), resulting in net proceeds to the registrant of approximately \$6.5 million. In connection with the private placement, the registrant entered into securities purchase and registration rights agreements with the purchasers of the ADSs, forms of which are attached hereto:

Exhibit No.	Description
1.	Form of securities purchase agreement dated as of July 27, 2006 among EDAP TMS S.A. and each purchaser identified on the signature pages thereto.
2.	Form of registration rights agreement dated as of July 27, 2006, among EDAP TMS S.A. and the investors signatory thereto.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: August 17, 2006

EDAP TMS S.A.

/s/ Hugues de Bantel

Hugues de Bantel
Chief Executive Officer

SECURITIES PURCHASE AGREEMENT

This Securities Purchase Agreement (this "*Agreement*") is dated as of July 27, 2006, by and among EDAP TMS S.A., a French société anonyme (the "*Company*"), and each purchaser identified on the signature pages hereto (each, a "*Purchaser*" and collectively, the "*Purchasers*").

RECITALS

A. The Company and each Purchaser are executing and delivering this Agreement in reliance upon the exemption from securities registration afforded by Section 4(2) of the Securities Act of 1933, as amended (the "*Securities Act*").

B. At the general shareholders meeting of the Company held on June 29, 2006, the shareholders of the Company authorized the Company's board of directors to effect a capital increase for the benefit of a category of investors meeting certain requirements and to decide the allocation of the Shares (as defined below) to such investors as shall have been identified by the board of directors. At the board of directors' meeting of the Company held on July 27, 2006, the board of directors decided to effect a capital increase for the benefit of the Purchasers.

C. Each Purchaser, severally and not jointly, wishes to subscribe for and purchase, and the Company wishes to issue and sell, upon the terms and conditions stated in this Agreement, that aggregate number of ordinary shares, nominal value € 0.13 per share (the "*Ordinary Shares*"), of the Company, set forth below such Purchaser's name on the signature page of this Agreement (which aggregate amount for all Purchasers together shall be 961,676 Ordinary Shares and shall be collectively referred to herein as the "*Shares*"). The Shares will be delivered to Purchasers in accordance with this Agreement solely in the form of Restricted ADRs evidencing Restricted ADSs (each as defined below) representing the Shares.

D. The Company has engaged Roth Capital Partners, LLC, as its placement agent (the "*Placement Agent*") for the offering of the Shares on a "best efforts" basis.

E. Contemporaneously with the execution and delivery of this Agreement, the parties hereto are executing and delivering a Registration Rights Agreement, in the form attached hereto as Exhibit A (the "*Registration Rights Agreement*"), pursuant to which, among other things, the Company will agree to provide certain registration rights with respect to the Shares and any ADSs representing the Shares under the Securities Act and applicable state securities laws.

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Purchasers hereby agree as follows:

ARTICLE I.
DEFINITIONS

1.1 Definitions. In addition to the terms defined elsewhere in this Agreement, for all purposes of this Agreement, the following terms shall have the meanings indicated in this Section 1.1:

“*Action*” means any action, suit, inquiry, notice of violation, proceeding (including any partial proceeding such as a deposition) or investigation pending or threatened in writing against or affecting the Company, any Subsidiary or any of their respective properties before or by any court, arbitrator, governmental or administrative agency, regulatory authority (U.S. federal, state, county, local or foreign), stock market, stock exchange or trading facility.

“*ADR*” means an American Depositary Receipt evidencing one or more American Depositary Shares (each, an “*ADS*”), with each ADS representing one Ordinary Share, issued under the unrestricted facility maintained by the Depositary under the Deposit Agreement.

“*Affiliate*” means, with respect to any Person, any other Person that, directly or indirectly through one or more intermediaries, Controls, is controlled by or is under common control with such Person, as such terms are used in and construed under Rule 144. With respect to a Purchaser, any investment fund or managed account that is managed on a discretionary basis by the same investment manager as such Purchaser will be deemed to be an Affiliate of such Purchaser.

“*Business Day*” means a day, other than a Saturday or Sunday, on which banks in New York City and Lyons, France, are open for the general transaction of business.

“*Buy-In*” shall have the meaning set forth in Section 4.1(e).

“*Closing*” shall have the meaning set forth in Section 2.1.

“*Closing Date*” shall have the meaning set forth in Section 2.1.

“*Commission*” means the United States Securities and Exchange Commission.

“*Company Counsel*” means Cleary Gottlieb Steen & Hamilton LLP as U.S. and French counsel to the Company.

“*Company Deliverables*” has the meaning set forth in Section 2.2(a).

“*Company’s Knowledge*” means with respect to any statement made to the knowledge of a party, that the statement is based upon the actual knowledge of the officers of such party having responsibility for the matter or matters that are the subject of the statement, after due inquiry and investigation.

“*Control*” (including the terms “controlling”, “controlled by” or “under common control with”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

“*Custodian*” means Société Générale as custodian for The Bank of New York as Restricted ADR Depositary and Depositary.

“*Delivery Date*” shall have the meaning set forth in Section 4.1(e).

“*Deposit Agreement*” means the Deposit Agreement dated as of July 31, 1997 among the Company, The Bank of New York as Depositary and the owners and beneficial owners of ADRs from time to time, as such agreement may be amended or supplemented.

“*Depositary*” means The Bank of New York acting as depositary for the ADRs pursuant to the Deposit Agreement.

“*Disclosure Materials*” has the meaning set forth in Section 3.1(h).

“*Effective Date*” means the date on which the initial Registration Statement required by Section 2(a) of the Registration Rights Agreement is first declared effective by the Commission.

“*Environmental Laws*” has the meaning set forth in Section 3.1(l).

“*Evaluation Date*” has the meaning set forth in Section 3.1(v).

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, or any successor statute, and the rules and regulations promulgated thereunder.

“*GAAP*” means U.S. generally accepted accounting principles, as applied by the Company.

“*Indemnified Person*” has the meaning set forth in Section 4.6(b).

“*Intellectual Property*” has the meaning set forth in Section 3.1(r).

“*Lien*” means any lien, charge, claim, encumbrance, security interest, right of first refusal, preemptive right or other restrictions of any kind.

“*Losses*” has the meaning set forth in Section 4.6(a).

“*Material Adverse Effect*” means any of (i) a material and adverse effect on the legality, validity or enforceability of any Transaction Document, (ii) a material and adverse effect on the results of operations, assets, prospects, business or financial condition of the Company and the Subsidiaries, taken as a whole, or (iii) any material adverse impairment to the Company's ability to perform on a timely basis its obligations under any Transaction Document.

“*New York Courts*” means the state and federal courts sitting in the City of New York, Borough of Manhattan.

“*Ordinary Share Equivalents*” means any securities of the Company or any Subsidiary which would entitle the holder thereof to acquire at any time Ordinary Shares, including without limitation, any debt, preferred shares, rights, options, warrants or other instrument that is at any time convertible into or exchangeable for, or otherwise entitles the holder thereof to receive, Ordinary Shares or other securities that entitle the holder to receive, directly or indirectly, Ordinary Shares.

“*Outside Date*” means August 7, 2006.

“*Person*” means an individual, corporation, partnership, limited liability company, trust, business trust, association, joint stock company, joint venture, sole proprietorship, unincorporated organization, governmental authority or any other form of entity not specifically listed herein.

“*Placement Agent Counsel*” means Lowenstein Sandler PC as US counsel and Franklin as French counsel.

“*Proceeding*” means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“*Purchaser Deliverables*” has the meaning set forth in Section 2.2(b).

“*Purchaser Party*” has the meaning set forth in Section 4.6(a).

“*Registration Rights Agreement*” has the meaning set forth in the Recitals.

“*Registration Statement*” means a registration statement meeting the requirements set forth in the Registration Rights Agreement and covering the resale by the Purchasers of the Registrable Securities (as defined in the Registration Rights Agreement).

“*Restricted ADR*” means a certificated American Depositary Receipt that includes the restrictive legends set forth in section 4.1(b) hereof, evidencing one or more restricted American Depositary Shares (“*Restricted ADSs*”), with each Restricted ADS representing one Share.

“*Restricted ADR Depositary*” means The Bank of New York acting as depositary for the Restricted ADRs pursuant to an Instruction Letter to be dated on or about July 28, 2006 (the “*Instruction Letter*”) between the Bank of New York and the Company, and for the Shares acting as *intermédiaire inscrit*.

“*Rule 144*” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“*SEC Reports*” has the meaning set forth in Section 3.1(h).

“*Secretary’s Certificate*” has the meaning set forth in Section 2.2(a)(vi).

“*Securities Act*” means the Securities Act of 1933, as amended.

“*Short Sales*” include, without limitation, all “short sales” as defined in Rule 200 promulgated under Regulation SHO under the Exchange Act, whether or not against the box, and all types of direct and indirect stock pledges, forward sale contracts, options, puts, calls, short sales, swaps, “put equivalent positions” (as defined in Rule 16a-1(h) under the Exchange Act) and similar arrangements (including on a total return basis), and sales and other transactions through non-US broker dealers or foreign regulated brokers.

“*Subscription Amount*” means with respect to each Purchaser, the Subscription Amount indicated on such Purchaser’s signature page to this Agreement.

“*Subsidiary*” means any “significant subsidiary” as defined in Rule 1-02(w) of the Regulation S-X promulgated by the Commission under the Exchange Act.

“*Trading Affiliate*” has the meaning set forth in Section 3.2(h).

“*Trading Day*” means (i) a day on which the ADRs are listed or quoted and traded on their primary Trading Market (other than the OTC Bulletin Board), or (ii) if the ADRs are not listed on a

Trading Market (other than the OTC Bulletin Board), a day on which the ADRs are traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the ADRs are not quoted on any Trading Market, a day on which the ADRs are quoted in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding to its functions of reporting prices); *provided*, that in the event that the ADRs are not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

“*Trading Market*” means whichever of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Market, the NASDAQ Capital Market or OTC Bulletin Board on which the ADRs are listed or quoted for trading on the date in question.

“*Transaction Documents*” means this Agreement, the schedules and exhibits attached hereto, the Registration Rights Agreement and any other documents or agreements executed in connection with the transactions contemplated hereunder.

ARTICLE II. PURCHASE AND SALE

2.1 Closing. Subject to the terms and conditions set forth in this Agreement, at the Closing, the Company shall issue and sell to each Purchaser, and each Purchaser shall, severally and not jointly, purchase from the Company, such number of Shares, to be delivered in the form of Restricted ADSs evidenced by Restricted ADRs, as indicated below such Purchaser’s name on the signature page of this Agreement, for the Subscription Amount for such Purchaser as indicated below such Purchaser’s name on the signature page of this Agreement. On the date (the “*Closing Date*”) the Company or its designee receives the aggregate Subscription Amounts from escrow pursuant to Section 2.3, the Company shall cause (1) the Shares to be issued in registered form (*titres nominatifs*) in the name of the Restricted ADR Depository in a separate account maintained by the Custodian for the account of the Restricted ADR Depository and (2) the Restricted ADR Depository to issue to each Purchaser Restricted ADRs registered in the name of such Purchaser or its designee representing Restricted ADSs evidencing the Shares subscribed for by such Purchaser (the “*Closing*”). The Closing of the purchase and sale of the Shares shall take place at the offices of Lowenstein Sandler PC, 1251 Avenue of the Americas, New York, New York on the Closing Date or at such other locations or remotely by facsimile transmission or other electronic means as the parties may mutually agree.

2.2 Closing Deliveries.

(a) At the Closing, the Company shall issue, deliver or cause to be delivered to each Purchaser the following (the “*Company Deliverables*”):

(i) this Agreement, duly executed by the Company;

(ii) a copy of the certificate (*attestation d’inscription en compte*) evidencing the Shares registered in the name of the Restricted ADR Depository or its designee as *intermédiaire inscrit* together with a certified copy of the share transfer registry of the Company (*registre des mouvements de titres*);

(iii) a copy of the Instruction Letter, which shall contain binding and irrevocable written instructions from the Company to the Restricted ADR Depository instructing the Restricted ADR Depository to immediately (and in no event more than three (3) Business Days after

Closing) issue to each Purchaser Restricted ADRs free and clear of all restrictive and other legends (except as expressly provided in Section 4.1(b) hereof), representing Restricted ADSs evidencing the number of Shares indicated below such Purchaser's name on the signature page of this Agreement, registered in the name of such Purchaser or its designee;

(iv) legal opinions of Company Counsel, in the form attached hereto as Exhibit B, executed by such counsel and addressed to the Purchasers and the Placement Agent;

(v) the Registration Rights Agreement, duly executed by the Company;

(vi) a certificate of the *Directeur Général* of the Company or officer performing similar functions (the "*Secretary's Certificate*"), dated as of the Closing Date, certifying the resolutions adopted by the Board of Directors and the Shareholders of the Company approving the transactions contemplated by this Agreement and the other Transaction Documents and the issuance of the Shares and certifying the current versions of the articles of incorporation (*statuts*) of the Company;

(vii) the Compliance Certificate referred to in Section 5.1(h); and

(viii) the bank certificate (*certificat du dépositaire des fonds*).

(b) At or before the Closing, each Purchaser shall deliver or cause to be delivered to the Company the following (the "*Purchaser Deliverables*"):

(i) this Agreement, duly executed by such Purchaser (together with an executed copy by such Purchaser of the subscription form (*bulletin de souscription*) attached hereto as Exhibit E-2);

(ii) its Subscription Amount, in US dollars and in immediately available funds, in the amount set forth below such Purchaser's name on the applicable signature page hereto by wire transfer to an escrow account established for such purpose pursuant to Section 2.3, as set forth on Exhibit D attached hereto;

(iii) the Registration Rights Agreement, duly executed by such Purchaser; and

(iv) a fully completed and duly executed Institutional Accredited Investor Questionnaire and ADR Registration Questionnaire in the forms attached hereto as Exhibits C-1 and C-2 respectively.

2.3 Escrow of Subscription Amount.

(a) Simultaneously with the execution and delivery of a counterpart to this Agreement by a Purchaser, such Purchaser shall promptly cause a wire transfer of immediately available funds (U.S. dollars) in an amount representing such Purchaser's Subscription Amount, as set forth on such Purchaser's signature page to this Agreement, to be paid to the non-interest bearing escrow account of Lowenstein Sandler PC set forth on Exhibit D hereto (the aggregate amounts being held in escrow are referred to herein as the "*Escrow Amount*"). Lowenstein Sandler PC shall hold the Escrow Amount in escrow until (i) Lowenstein Sandler PC receives written instructions from the Company and the Placement Agent authorizing the release of the Escrow Amount; or (ii) Lowenstein Sandler PC receives

written instructions from the Company or a specific terminating Purchaser pursuant to Section 6.17 that the Agreement has been terminated in accordance with Section 6.17 in which case Lowenstein Sandler PC shall return to such terminating Purchaser (and all Purchasers with respect to which the Company then elects to terminate this Agreement pursuant to Section 6.17) the portion of the Escrow Amount each such Purchaser delivered to Lowenstein Sandler PC. The Company hereby authorizes Lowenstein Sandler PC to release the Escrow Amount to the Company or its designee at the Closing, without further action or deed (other than receipt of the written instructions from the Company and the Placement Agent authorizing the release of the Escrow Amount).

(b) The Company and the Purchasers acknowledge and agree for the benefit of Lowenstein Sandler PC (which shall be deemed to be a third party beneficiary of this Section 2.3) as follows:

(i) Lowenstein Sandler PC (i) is not responsible for the performance by the Company or the Purchasers of this Agreement or any of the Transaction Documents or for determining or compelling compliance therewith; (ii) is only responsible for (A) holding the Escrow Amount in escrow pending receipt of written instructions from the Placement Agent and the Company directing the release of the Escrow Amount in accordance with Section 2.3(a) and (B) disbursing the Escrow Amount in accordance with the written instructions from the Company or a terminating Purchaser in accordance with Section 2.3(a), each of the responsibilities of Lowenstein Sandler PC in clause (A) and (B) is ministerial in nature, and no implied duties or obligations of any kind shall be read into this Agreement against or on the part of Lowenstein Sandler PC (collectively, the "*Escrow Duties*"); (iii) shall not be obligated to take any legal or other action hereunder which might in its judgment involve or cause it to incur any expense or liability unless it shall have been furnished with indemnification acceptable to it, in its sole discretion; (iv) may rely on and shall be protected in acting or refraining from acting upon any written notice, instruction (including, without limitation, wire transfer instructions, whether incorporated herein or provided in a separate written instruction), instrument, statement, certificate, request or other document furnished to it hereunder and believed by it to be genuine and to have been signed or presented by the proper Person, and shall have no responsibility for making inquiry as to, or for determining, the genuineness, accuracy or validity thereof, or of the authority of the Person signing or presenting the same; and (v) may consult counsel satisfactory to it, and the written opinion or advice of such counsel in any instance shall be full and complete authorization and protection in respect of any action taken, suffered or omitted by it hereunder in good faith and in accordance with the opinion or advice of such counsel. Documents and written materials referred to in this Section 2.3(b)(i) include, without limitation, e-mail and other electronic transmissions capable of being printed, whether or not they are in fact printed; and any such e-mail or other electronic transmission may be deemed and treated by Lowenstein Sandler PC as having been signed or presented by a Person if it bears, as sender, the Person's e-mail address.

(ii) Lowenstein Sandler PC shall not be liable to anyone for any action taken or omitted to be taken by it hereunder in connection with its Escrow Duties, except in the case of Lowenstein Sandler PC's gross negligence, willful misconduct or bad faith (as finally determined by a court of competent jurisdiction) in breach of the Escrow Duties. IN NO EVENT SHALL LOWENSTEIN SANDLER PC BE LIABLE FOR INDIRECT, PUNITIVE, SPECIAL OR CONSEQUENTIAL DAMAGE OR LOSS (INCLUDING BUT NOT LIMITED TO LOST PROFITS) WHATSOEVER, EVEN IF LOWENSTEIN SANDLER PC HAS BEEN INFORMED OF THE LIKELIHOOD OF SUCH LOSS OR DAMAGE AND REGARDLESS OF THE FORM OF ACTION.

(iii) The Company and the Purchasers hereby indemnify and hold harmless Lowenstein Sandler PC from and against, any and all loss, liability, cost, damage and expense, including,

without limitation, reasonable counsel fees and expenses, which Lowenstein Sandler PC may suffer or incur by reason of any action, claim or proceeding brought against Lowenstein Sandler PC arising out of or relating to the performance of the Escrow Duties, unless such action, claim or proceeding is the result of the gross negligence, willful misconduct or bad faith (as finally determined by a court of competent jurisdiction) of Lowenstein Sandler PC.

(iv) Lowenstein Sandler PC has acted as legal counsel to the Placement Agent in connection with this Agreement and the other Transaction Documents, is merely acting as an escrow agent under this Agreement and is, therefore, hereby authorized to continue acting as legal counsel to the Placement Agent including, without limitation, with regard to any dispute arising out of this Agreement, the other Transaction Documents, the Escrow Amount or any other matter. Each of the Company and the Purchasers hereby expressly consents to permit Lowenstein Sandler PC to represent the Placement Agent in connection with all matters relating to or arising from this Agreement, including, without limitation, with regard to any dispute arising out of this Agreement, the other Transaction Documents, the Escrow Amount or any other matter, and hereby waives any conflict of interest or appearance of conflict or impropriety with respect to such representation. Each of the Company and the Purchasers has consulted with its own counsel specifically about this Section 2.3 to the extent they deemed necessary, and has entered into this Agreement after being satisfied with such advice.

ARTICLE III. REPRESENTATIONS AND WARRANTIES

3.1 Representations and Warranties of the Company. The Company hereby represents and warrants to the Purchasers and to the Placement Agent that, except as set forth in the Disclosure Materials:

(a) Subsidiaries. The Company has no direct or indirect Subsidiaries other than those listed in Schedule 3.1(a) hereto. Except as disclosed in Schedule 3.1(a), the Company owns, directly or indirectly, all of the capital shares or comparable equity interests of each Subsidiary free and clear of any and all Liens, and all the issued and outstanding shares of capital shares or comparable equity interest of each Subsidiary are validly issued and are fully paid, non-assessable and free of preemptive and similar rights.

(b) Organization and Qualification. The Company and each Subsidiary is an entity duly incorporated or otherwise organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation or organization (as applicable), with the requisite power and authority to own or lease and use its properties and assets and to carry on its business as currently conducted. Neither the Company nor any Subsidiary is in violation of any of the provisions of its respective articles of incorporation (*statuts*). Each of the Company and the Subsidiaries is duly qualified to conduct business and is in good standing as a foreign corporation or other entity in each jurisdiction in which the nature of the business conducted or property owned by it makes such qualification necessary, except where the failure to be so qualified or in good standing, as the case may be, could not reasonably be expected to, individually or in the aggregate, result in a Material Adverse Effect.

(c) Authorization; Enforcement; Validity. The Company has the requisite corporate power and authority to enter into and to consummate the transactions contemplated by each of the Transaction Documents to which it is a party and otherwise to carry out its obligations hereunder and thereunder. The execution and delivery of each of the Transaction Documents to which it is a party by the Company and the consummation by it of the transactions contemplated hereby and thereby (including,

but not limited to, the sale and delivery of the Shares) have been duly authorized by all necessary corporate action on the part of the Company and no further corporate action is required by the Company, its Board of Directors or its shareholders. Each of the Transaction Documents to which it is a party has been (or upon delivery will have been) duly executed by the Company and is, or when delivered in accordance with the terms hereof, will constitute the valid and binding obligation of the Company enforceable against the Company in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally the enforcement of, creditors' rights and remedies or by other equitable principles of general application, except that no representation is being made as to any indemnification provision contained in any Transaction Document. There are no shareholders agreements, voting agreements, or other similar arrangements with respect to the Company's capital securities to which the Company is a party or, to the Company's Knowledge, between or among any of the Company's shareholders.

(d) No Conflicts. The execution, delivery and performance of the Transaction Documents to which it is a party by the Company and the consummation by the Company of the transactions contemplated hereby or thereby (including, without limitation, the issuance of the Shares) do not and will not (i) conflict with or violate any provision of the Company's or any Subsidiary's articles of incorporation (*statuts*), (ii) conflict with, or constitute a default (or an event that with notice or lapse of time or both would become a default) under, or give to others any rights of termination, amendment, acceleration or cancellation (with or without notice, lapse of time or both) of, any agreement, credit facility, debt or other instrument to which the Company or any Subsidiary is a party or by which any property or asset of the Company or any Subsidiary is bound, or (iii) result in a violation of any law, rule, regulation, order, judgment, injunction, decree or other restriction of any court or governmental authority to which the Company or a Subsidiary is subject (including U.S. federal or state securities laws and regulations and applicable French laws and the rules and regulations, assuming the correctness of the representations and warranties made by the Purchasers herein, of any self-regulatory organization to which the Company or its securities are subject, including all applicable Trading Markets), or by which any property or asset of the Company or a Subsidiary is bound, except in the case of clauses (ii) and (iii) such as would not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect.

(e) Filings, Consents and Approvals. Neither the Company nor any Subsidiary is required to obtain any consent, waiver, authorization or order of, give any notice to, or make any filing or registration with, any court or other U.S. federal or state, foreign, European Union or French provincial, local or other governmental authority or other Person in connection with the execution, delivery and performance by the Company of the Transaction Documents (including, without limitation, the issuance of the Shares and Restricted ADRs), other than (i) the filing with the Commission of one or more Registration Statements in accordance with the requirements of the Registration Rights Agreement, (ii) filings required by applicable state securities laws or applicable French laws, (iii) the filing of any requisite notices and/or application(s) to each applicable Trading Market for the listing of the ADSs for trading or quotation, as the case may be, thereon in the time and manner required thereby, and (iv) those that have been made or obtained prior to the date of this Agreement.

(f) Issuance of the Shares. The Shares have been duly authorized and, when issued to and paid for by the Purchasers in accordance with the terms of the Transaction Documents, will be duly and validly issued, fully paid and nonassessable, free and clear of all Liens other than restrictions on transfer provided for in the Transaction Documents or imposed by applicable U.S. federal and state securities laws and applicable French laws and shall not be subject to preemptive or similar rights of shareholders. Assuming the accuracy of the representations and warranties of the Purchasers, the Shares and ADRs will be issued in compliance with all applicable U.S. federal and state securities laws and applicable French laws.

(g) Capitalization. The number and type of all authorized, issued and outstanding Ordinary Shares capital securities, options and other securities of the Company (whether or not presently convertible into or exercisable or exchangeable for shares of capital securities of the Company) is set forth in Schedule 3.1(g). All of the outstanding Ordinary Shares, capital securities, options and other securities of the Company (whether or not presently convertible into or exercisable or exchangeable for shares of capital securities of the Company) are duly authorized, validly issued, fully paid and non-assessable, have been issued in compliance in all material respects with all applicable U.S. federal and state securities laws and applicable French laws, and none of such outstanding securities was issued in violation of any preemptive rights or similar rights to subscribe for or purchase any securities of the Company. Except as specified in Schedule 3.1(g), there are no outstanding options, warrants or scrip rights to subscribe to, calls or commitments of any character whatsoever relating to, or securities, rights or obligations convertible into or exchangeable for, or giving any Person any right to subscribe for or acquire, any of the Company's securities, or contracts, commitments, understandings or arrangements by which the Company or any Subsidiary is or may become bound to issue additional securities of the Company, or options, securities or rights convertible or exchangeable into securities of the Company. Except for any preferential subscription rights attaching to the Ordinary Shares under applicable French law and customary adjustments as a result of dividends, splits, combination, reorganizations, recapitalizations, reclassifications or other similar events, or as disclosed in Schedule 3.1(g) or any Schedule 13D or Schedule 13G or Company report on file with the Commission, there are no anti-dilution or price adjustment provisions contained in any security issued by the Company (or in any agreement providing rights to security holders) and the issuance and sale of the Shares will not, immediately or with the passage of time, obligate the Company to issue Ordinary Shares or other securities to any Person (other than the Purchasers) and will not, result in a right of any holder of securities to adjust the exercise, conversion, exchange or reset price under such securities. Preferential subscription rights attaching to the issue of the Shares by the Company have been validly waived by the general shareholders meeting of the Company held on June 29, 2006.

(h) SEC Reports. The Company has filed all reports required to be filed by it under the Exchange Act, including pursuant to Section 13(a) or 15(d) thereof, for the two years preceding the date hereof (or such shorter period as the Company was required by law to file such reports) (the foregoing materials being collectively referred to herein as the "*SEC Reports*" and together with this Agreement and the Schedules to this Agreement (if any), the "*Disclosure Materials*") on a timely basis or has received a valid extension of such time of filing and has filed any such SEC Reports prior to the expiration of any such extension. As of their respective dates, or to the extent corrected by a subsequent restatement, the SEC Reports complied in all material respects with the requirements of the Securities Act and the Exchange Act and the rules and regulations of the Commission promulgated thereunder, and none of the SEC Reports, when filed, contained any untrue statement of a material fact or omitted to state a material fact required to be stated therein or necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(i) Financial Statements. The financial statements of the Company included in the SEC Reports comply in all material respects with applicable accounting requirements and the rules and regulations of the Commission with respect thereto as in effect at the time of filing (or to the extent corrected by a subsequent restatement). Such financial statements have been prepared in accordance with GAAP applied on a consistent basis during the periods involved, except as may be otherwise specified in such financial statements or the notes thereto and except that unaudited financial statements may not contain all footnotes required by GAAP, and fairly present in all material respects the financial position of

the Company and its consolidated subsidiaries as of and for the dates thereof and the results of operations and cash flows for the periods then ended, subject, in the case of unaudited statements, to normal, year-end audit adjustments. All material agreements to which the Company or any Subsidiary is a party or to which the property or assets of the Company or any Subsidiary are subject are included as part of or specifically identified in the SEC Reports.

(j) Tax Matters. Each of the Company and its Subsidiaries (i) has accurately and timely prepared and filed all foreign, U.S. federal and state income and all other tax returns, reports and declarations required by any jurisdiction to which it is subject, except in any case in which the failure so to file would not have a Material Adverse Effect, (ii) has paid all taxes and other governmental assessments and charges that are material in amount, shown or determined to be due on such returns, reports and declarations, except those being contested in good faith or as would not have a Material Adverse Effect, with respect to which adequate reserves have been set aside on the books of the Company and (iii) has set aside on its books provision reasonably adequate for the payment of all taxes for periods subsequent to the periods to which such returns, reports or declarations apply. There are no unpaid taxes in any material amount claimed to be due by the taxing authority of any jurisdiction.

(k) Material Changes. Since the date of the latest audited financial statements included within the SEC Reports, except as specifically disclosed in the SEC Reports, (i) there have been no events, occurrences or developments that have had or that could reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect, (ii) the Company has not incurred any material liabilities (contingent or otherwise) other than (A) trade payables, accrued expenses and other liabilities incurred in the ordinary course of business consistent with past practice and (B) liabilities not required to be reflected in the Company's financial statements pursuant to GAAP or required to be disclosed in filings made with the Commission, (iii) the Company has not altered its method of accounting or the manner in which it keeps its accounting books and records, (iv) the Company has not declared or made any dividend or distribution of cash or other property to its shareholders or purchased, redeemed or made any agreements to purchase or redeem any of its securities (other than in connection with repurchases of unvested shares issued to employees of the Company) and (v) the Company has not issued any equity securities to any officer, director or Affiliate, except Ordinary Shares issued in the ordinary course as dividends on outstanding preferred shares and pursuant to existing Company option or purchase plans or executive and director corporate arrangements disclosed in the SEC Reports and (vi) there has not been any material change or amendment to, or any waiver of any material right under, any contract under which the Company, any Subsidiary thereof, or any of their assets is bound or subject. The Company does not have pending before the Commission any request for confidential treatment of information.

(l) Environmental Matters. To the Company's Knowledge, neither the Company nor any Subsidiary (i) is in violation of any statute, rule, regulation, decision or order of any governmental agency or body or any court, domestic or foreign, relating to the use, disposal or release of hazardous or toxic substances or relating to the protection or restoration of the environment or human exposure to hazardous or toxic substances (collectively, "Environmental Laws"), (ii) owns or operates any real property contaminated with any substance that is in violation of any Environmental Laws, (iii) is liable for any off-site disposal or contamination pursuant to any Environmental Laws, and (iv) is subject to any claim relating to any Environmental Laws; which violation, contamination, liability or claim has had or could reasonably be expected to have a Material Adverse Effect, individually or in the aggregate; and there is no pending or, to the Company's Knowledge, threatened investigation that might lead to such a claim.

(m) Litigation. There is no Action which (i) adversely affects or challenges the legality, validity or enforceability of any of the Transaction Documents or the Shares or (ii) except as specifically disclosed in the SEC Reports, could, if there were an unfavorable decision, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any Subsidiary, nor, to the Company's Knowledge, any current director or officer thereof (in his or her capacity thereof), is or has been during the five-year period prior to the Closing Date the subject of any Action involving a claim of violation of or liability under U.S. federal or state securities laws or applicable French laws or a claim of breach of fiduciary duty. There has not been and to the Company's Knowledge, there is not pending or contemplated, any investigation by the Commission involving the Company or, to the Company's Knowledge any current or former director or officer of the Company (in his or her capacity as such). The Commission has not issued any stop order or other order suspending the effectiveness of any registration statement filed by the Company or any Subsidiary under the Exchange Act or the Securities Act.

(n) Employment Matters. The Company and its Subsidiaries are in compliance with all applicable U.S. federal, state, local and foreign laws and regulations respecting labor, employment and employment practices and benefits, terms and conditions of employment and wages and hours, except where the failure to be in compliance would not, either individually or in the aggregate, reasonably be expected to result in a Material Adverse Effect. Neither the Company nor any of its Subsidiaries is a party to any collective bargaining agreement. No executive officer of the Company or any of its Subsidiaries (as defined in Rule 501(f) of the Securities Act) listed under "Item 6. Directors, Senior Management and Employees—Senior Executive Officers" of the Company's annual report on Form 20-F for the year ended December 31, 2005, has notified the Company or any such Subsidiary that such officer intends to leave the Company or any such Subsidiary or otherwise terminate such officer's employment with the Company or any such Subsidiary.

(o) Compliance. Neither the Company nor any Subsidiary, except in each case as could not, individually or in the aggregate, have or reasonably be expected to result in a Material Adverse Effect (i) is in default under or in violation of (and no event has occurred that has not been waived that, with notice or lapse of time or both, would result in a default by the Company or any Subsidiary under), nor has the Company or any Subsidiary received notice of a claim that it is in default under or that it is in violation of, any indenture, loan or credit agreement or any other agreement or instrument to which it is a party or by which it or any of its properties is bound (whether or not such default or violation has been waived), (ii) is in violation of any order of any court, arbitrator or governmental body having jurisdiction over the Company or its properties or assets, or (iii) is or has been in violation of, or in receipt of notice that it is in violation of, any statute, rule or regulation of any governmental authority applicable to the Company.

(p) Regulatory Permits. The Company and the Subsidiaries possess all certificates, authorizations and permits issued by the appropriate U.S. federal, state, European Union or French provincial, or local regulatory authorities necessary to conduct their respective businesses as described in the SEC Reports, except where the failure to possess such permits, individually or in the aggregate, has not and could not reasonably be expected to result in a Material Adverse Effect, and neither the Company nor any Subsidiary has received any notice of proceedings relating to the revocation or modification of any such permits.

(q) Title to Assets. Except for property that is specifically the subject of, and covered by, other representations and warranties as to ownership or title contained herein, the Company and the Subsidiaries have good and marketable title in fee simple to all real property owned by them that

is material to their respective businesses and good and marketable title in all personal property owned by them that is material to their respective businesses, in each case free and clear of all Liens, except for Liens that do not, individually or in the aggregate, have or result in a Material Adverse Effect. Any real property and facilities held under lease by the Company and the Subsidiaries are held by them under valid, subsisting and enforceable leases of which the Company and the Subsidiaries are in material compliance.

(r) Patents and Trademarks. The Company and its Subsidiaries own, possess, license or have other rights to use all foreign and domestic patents, patent applications, trade and service marks, trade and service mark registrations, trade names, copyrights, licenses, inventions, trade secrets, technology, Internet domain names, know-how and other intellectual property (collectively, the "*Intellectual Property*") necessary for the conduct of their respective businesses as now conducted or as proposed to be conducted. Except as set forth in the SEC Reports and except where such violations or infringements would not reasonably be expected to result, either individually or in the aggregate, in a Material Adverse Effect, (a) there are no rights of third parties to any such Intellectual Property; (b) to the Company's Knowledge, there is no infringement by third parties of any such Intellectual Property; (c) there is no pending or, to the Company's Knowledge, threatened action, suit, proceeding or claim by others challenging the Company's and its Subsidiaries' rights in or to any such Intellectual Property, and the Company is unaware of any facts which would form a reasonable basis for any such claim; (d) there is no pending or, to the Company's Knowledge, threatened action, suit, proceeding or claim by others challenging the validity or scope of any such Intellectual Property; and (e) there is no pending or, to the Company's Knowledge, threatened action, suit, proceeding or claim by others that the Company and/or any of its Subsidiaries infringe or otherwise violate any patent, trademark, copyright, trade secret or other proprietary rights of others, and the Company is unaware of any other fact which would form a reasonable basis for any such claim.

(s) Insurance. The Company and the Subsidiaries are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are prudent and customary in the businesses and location in which the Company and the Subsidiaries are engaged. Neither the Company nor any Subsidiary has any knowledge that it will be unable to renew its existing insurance coverage for the Company and the Subsidiaries as and when such coverage expires or to obtain similar coverage from similar insurers as may be necessary to continue its business without a significant increase in cost.

(t) Transactions With Affiliates and Employees. None of the officers or directors of the Company and, to the Company's Knowledge, none of the employees of the Company is presently a party to any transaction with the Company or any Subsidiary or has entered into an agreement with respect to a presently contemplated transaction (other than for services as employees, officers and directors) that would be required to be disclosed pursuant to Item 7.B of Form 20-F.

(u) Internal Accounting Controls. The Company and the Subsidiaries maintain a system of internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(v) Sarbanes-Oxley; Disclosure Controls. The Company is in compliance in all material respects with all of the applicable provisions of the Sarbanes-Oxley Act of 2002. The Company has established disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) for the Company and designed such disclosure controls and procedures to ensure that material information relating to the Company is made known to the certifying officers by others within the Company, particularly during the period in which the Company's most recently filed periodic report under the Exchange Act, was prepared. The Company's certifying officers have evaluated the effectiveness of the Company's disclosure controls and procedures as of the end of the most recent periodic reporting period under the Exchange Act (such date, the "*Evaluation Date*"). The Company presented in its most recently filed periodic report under the Exchange Act the conclusions of the certifying officers about the effectiveness of the disclosure controls and procedures based on their evaluations as of the Evaluation Date, and disclosed in such report any change in the Company's internal control over financial reporting that occurred during the period covered by such report that materially affected, or was reasonably likely to materially affect, the Company's internal control over financial reporting.

(w) Certain Fees. No person or entity will have, as a result of the transactions contemplated by this Agreement, any valid right, interest or claim against or upon the Company or a Purchaser for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of the Company, other than Roth Capital Partners, LLC, as placement agent with respect to the offer and sale of the Shares (which placement agent fees are being paid by the Company). The Company shall pay, and hold each Purchaser harmless against, any liability, loss or expense (including, without limitation, attorney's fees and out-of-pocket expenses) arising in connection with any such right, interest or claim.

(x) Private Placement. Assuming the accuracy of the Purchasers' representations and warranties set forth in Section 3.2, no registration under the Securities Act is required for the offer and sale of the Shares by the Company to the Purchasers under the Transaction Documents. Other than pursuant to the Registration Rights Agreement, the Company has not granted or entered into any agreement to grant to any Person any rights (including "piggy-back" registration rights) to have any securities of the Company registered with the Commission or any other governmental authority that have not been satisfied or waived.

(y) No Directed Selling Efforts or General Solicitation. Neither the Company, nor any of its Affiliates, nor any Person acting on its or their behalf (other than the Placement Agent, as to which no representation is being made) has conducted any "general solicitation" or "general advertising" (as those terms are used in Regulation D) in connection with the offer or sale of any of the Shares.

(z) No Integrated Offering. Neither the Company, its Subsidiaries nor any of their Affiliates, nor any Person acting on its or their behalf (other than the Placement Agent, as to which no representation is being made) has, directly or indirectly, at any time within the past six months made any offers or sales of any Company security or solicited any offers to buy any security, under circumstances that would (i) eliminate the availability of the exemption from registration under Section 4(2) of the Securities Act in connection with the offer and sale by the Company of the Shares as contemplated hereby or (ii) cause the offering of the Shares pursuant to the Transaction Documents to be integrated with prior offerings by the Company for purposes of any applicable law, regulation or shareholder approval provisions, including, without limitation, under the rules and regulations of any Trading Market.

(aa) Listing and Maintenance Requirements. The ADRs are registered pursuant to Section 12(g) of the Exchange Act, and the Company has taken no action designed to terminate the registration of the ADRs under the Exchange Act nor has the Company received any notification that the Commission is contemplating terminating such registration. Except as specified in the SEC Reports, the Company has not, in the two years preceding the date hereof, received written notice from any Trading Market on which the ADRs have been listed or quoted to the effect that the Company is not in compliance with the listing or maintenance requirements of such Trading Market. The Company is, and has no reason to believe that it will not in the foreseeable future continue to be, in compliance in all material respects with the listing and maintenance requirements for continued trading of the ADRs on the Trading Market on which the ADRs are currently quoted.

(bb) Investment Company. Neither the Company nor any of its Subsidiaries is required to be registered as, immediately following the Closing will not be required to register as, an “investment company” within the meaning of the Investment Company Act of 1940, as amended.

(cc) Questionable Payments. Neither the Company nor any of its Subsidiaries, nor, to the Company’s Knowledge, any directors, officers, employees, agents or other Persons acting on behalf of the Company or any of its Subsidiaries has, in the course of its actions for, or on behalf of, the Company: (a) used any corporate funds for unlawful contributions, gifts, entertainment or other unlawful expenses relating to foreign or domestic political activity; (b) made any direct or indirect unlawful payments to any foreign or domestic governmental officials or employees from corporate funds; (c) violated in any material respect any provision of the Foreign Corrupt Practices Act of 1977, as amended or (d) made any other unlawful bribe, rebate, payoff, influence payment, kickback or other unlawful payment to any foreign or domestic government official or employee.

(dd) Disclosure. The Company confirms that it and its officers and directors have not provided, and it has not authorized the Placement Agent to provide, any Purchaser with any information that constitutes or could reasonably be expected to constitute material, non-public information except insofar as the existence, provisions and terms of the Transaction Documents and the proposed transactions hereunder may constitute such information. The Company understands and confirms that the Purchasers will rely on the foregoing representations in effecting transactions in securities of the Company. All disclosure provided to the Purchasers regarding the Company, its business and the transactions contemplated hereby, furnished by the Company or authorized by the Company and furnished by the Placement Agent on behalf of the Company (including the Company’s representations and warranties set forth in this Agreement) do not contain any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading. No event or circumstance has occurred or information exists with respect to the Company nor any of its Subsidiaries or its or their business, properties, operations or financial conditions, which, under applicable law, rule or regulation, requires public disclosure or announcement by the Company but which has not been so publicly announced or disclosed, except for the announcement of this Agreement and related transactions.

(ee) Off Balance Sheet Arrangements. There is no transaction, arrangement, or other relationship between the Company and an unconsolidated or other off balance sheet entity that is required to be disclosed by the Company in its Exchange Act filings and is not so disclosed or that otherwise would be reasonably likely to have a Material Adverse Effect.

(ff) Consultation with Auditors. The Company has consulted its independent auditors concerning the accounting treatment of the transactions contemplated by the Transaction Documents, and

in connection therewith has furnished such auditors complete copies of the Transaction Documents. The Company intends to account for the gross proceeds raised from the financing which is the subject of this Agreement as equity in its financial statements.

(gg) No Additional Agreements. The Company does not have any agreement or understanding with any Purchaser with respect to the transactions contemplated by the Transaction Documents other than as specified in the Transaction Documents.

(hh) Foreign Private Issuer Status; F-3 Eligibility. The Company qualifies as a “foreign private issuer” as such term is defined in the Exchange Act. The Company is, and shall remain (including without limitation taking such actions as are necessary to do so) until the filing of the Registration Statement, eligible to use Form F-3 to register the Shares, whether in the form of Shares or ADSs, pursuant to the Company’s obligations under the Registration Rights Agreement.

3.2 Representations and Warranties of the Purchasers. Each Purchaser hereby, for itself and for no other Purchaser, represents and warrants to the Company and the Placement Agent as follows:

(a) Organization; Authority. Such Purchaser is an entity duly organized, validly existing and in good standing under the laws of the jurisdiction of its organization with the requisite corporate or partnership power and authority to enter into and to consummate the transactions contemplated by the applicable Transaction Documents and otherwise to carry out its obligations hereunder and thereunder. The execution, delivery and performance by such Purchaser of the transactions contemplated by this Agreement have been duly authorized by all necessary corporate or, if such Purchaser is not a corporation, such partnership, limited liability company or other applicable like action, on the part of such Purchaser. Each of this Agreement and the Registration Rights Agreement has been duly executed by such Purchaser, and when delivered by such Purchaser in accordance with terms hereof, will constitute the valid and legally binding obligation of such Purchaser, enforceable against it in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium, liquidation or similar laws relating to, or affecting generally the enforcement of, creditors’ rights and remedies or by other equitable principles of general application.

(b) Investment Intent. Such Purchaser understands that the Shares and the Restricted ADRs evidencing the Restricted ADSs representing the Shares are “restricted securities” and have not been registered under the Securities Act or any applicable state securities law and is acquiring the Shares as principal for its own account and not with a view towards, or for resale in connection with, the public sale or distribution thereof, without prejudice, however, to such Purchaser's right, subject to the provisions of this Agreement and the Registration Rights Agreement, at all times to sell or otherwise dispose of all or any part of such Shares and any Restricted ADR or ADR, as the case may be, pursuant to an effective registration statement under the Securities Act or under an exemption from such registration and in compliance with applicable U.S. federal and state securities laws. Such Purchaser is acquiring the Shares hereunder in the ordinary course of its business. Such Purchaser does not presently have any agreement, plan or understanding, directly or indirectly, with any Person to distribute or effect any distribution of any of the Shares and any ADRs or Restricted ADRs evidencing the ADSs or Restricted ADSs, as the case may be, representing the Shares (or any securities which are derivatives thereof) to or through any person or entity; provided, however, that by making the representations herein, such Purchaser does not agree to hold any of the Shares and Restricted ADRs evidencing the Restricted ADSs representing the Shares for any minimum period of time.

(c) Purchaser Status. At the time such Purchaser was offered the Shares, it was, and at the date hereof it is, an institutional “accredited investor” as defined in Rule 501(a) under the Securities Act. Such Purchaser is not a registered broker-dealer under Section 15 of the Exchange Act.

(d) General Solicitation. Such Purchaser is not purchasing the Shares as a result of any advertisement, article, notice or other communication regarding the Shares published in any newspaper, magazine or similar media or broadcast over television or radio or presented at any seminar or any other general solicitation or general advertisement.

(e) Experience of Such Purchaser. Such Purchaser, either alone or together with its representatives, has such knowledge, sophistication and experience in business and financial matters so as to be capable of evaluating the merits and risks of the prospective investment in the Shares, and has so evaluated the merits and risks of such investment. Such Purchaser is able to bear the economic risk of an investment in the Shares and, at the present time, is able to afford a complete loss of such investment.

(f) Access to Information. Such Purchaser acknowledges that it reviewed the Disclosure Materials and has been afforded (i) the opportunity to ask such questions as it has deemed necessary of, and to receive answers from, representatives of the Company concerning the terms and conditions of the offering of the Shares and the merits and risks of investing in the Shares; (ii) access to information (other than material non-public information) about the Company and the Subsidiaries and their respective financial condition, results of operations, business, properties, management and prospects sufficient to enable it to evaluate its investment; and (iii) the opportunity to obtain such additional information that the Company possesses or can acquire without unreasonable effort or expense that is necessary to make an informed investment decision with respect to the investment. Neither such inquiries nor any other investigation conducted by or on behalf of such Purchaser or its representatives or counsel shall modify, amend or affect such Purchaser's right to rely on the truth, accuracy and completeness of the Disclosure Materials and the Company's representations and warranties contained in the Transaction Documents.

(g) Residency. Such Purchaser has, if an entity, its principal place of business or, if an individual, its primary residence in the jurisdiction set forth immediately below such Purchaser's name on the signature pages hereto.

(h) Certain Trading Activities. Other than with respect to the transactions contemplated herein, since the earlier to occur of (1) the time that such Purchaser was first contacted by the Company, the Placement Agent or any other Person regarding this investment in the Company and (2) the tenth (10th) day prior to the date of this Agreement, neither the Purchaser nor any Affiliate of such Purchaser which (x) had knowledge of the transactions contemplated hereby, (y) has or shares discretion relating to such Purchaser's investments or trading or information concerning such Purchaser's investments, including in respect of the Shares, or (z) is subject to such Purchaser's review or input concerning such Affiliate's investments or trading (collectively, "*Trading Affiliates*") has directly or indirectly, nor has any Person acting on behalf of or pursuant to any understanding with such Purchaser or Trading Affiliate, effected or agreed to effect any transactions in the securities of the Company (including, without limitation, any Short Sales involving the Company's securities). Such Purchaser shall not, and shall cause its Trading Affiliates not to, engage, directly or indirectly, in any transactions in the securities of the Company (including, without limitation, any Short Sales involving the Company's securities) during the period from the date hereof until such time as (i) the transactions contemplated by this Agreement are first publicly announced as described in Section 4.5 or (ii) this Agreement is terminated in full pursuant to Section 6.17. Each Purchaser understands and acknowledges, severally and

not jointly with any other Purchaser, that the Commission currently takes the position that covering a short position established prior to effectiveness of a resale registration statement with shares included in such registration statement would be a violation of Section 5 of the Securities Act, as set forth in Item 65, Section 5 under Section A, of the Manual of Publicly Available Telephone Interpretations, dated July 1997, compiled by the Office of Chief Counsel, Division of Corporation Finance. Notwithstanding the foregoing, no Purchaser makes any representation, warranty or covenant hereby that it will not engage in Short Sales in the securities of the Company after the time that the transactions contemplated by this Agreement are first publicly announced as described in Section 4.5.

(i) Brokers and Finders. No Person will have, as a result of the transactions contemplated by this Agreement, any valid right, interest or claim against or upon the Company, or any Purchaser for any commission, fee or other compensation pursuant to any agreement, arrangement or understanding entered into by or on behalf of the Purchaser.

(j) Limited Ownership. The purchase by such Purchaser of the Shares in the form of Restricted ADSs issuable to it at the Closing will not result in such Purchaser (individually or together with other Person with whom such Purchaser has identified, or will have identified, itself as part of a “group” in a public filing made with the Commission involving the Company’s securities) acquiring, or obtaining the right to acquire, in excess of 19.99% of the outstanding Ordinary Shares or the voting power of the Company on a post transaction basis that assumes that the Closing shall have occurred. Such Purchaser does not presently intend to, alone or together with others, make a public filing with the Commission to disclose that it has (or that it together with such other Persons have) acquired, or obtained the right to acquire, as a result of the Closing (when added to any other securities of the Company that it or they then own or have the right to acquire), in excess of 19.99% of the outstanding Ordinary Shares or the voting power of the Company on a post transaction basis that assumes that the Closing shall have occurred.

(k) Independent Investment Decision. Such Purchaser has independently evaluated the merits of its decision to purchase Shares in the form of Restricted ADSs pursuant to the Transaction Documents, and such Purchaser confirms that it has not relied on the advice of any other Purchaser’s business and/or legal counsel in making such decision. Such Purchaser understands that nothing in this Agreement or any other materials presented by or on behalf of the Company to the Purchaser in connection with the purchase of the Shares in the form of Restricted ADSs constitutes legal, tax or investment advice. Such Purchaser has consulted such legal, tax and investment advisors as it, in its sole discretion, has deemed necessary or appropriate in connection with its purchase of the Shares in the form of Restricted ADSs. Such Purchaser understands that the Placement Agent has acted solely as the agent of the Company in this placement of the Shares in the form of Restricted ADSs and such Purchaser has not relied on the business or legal advice of the Placement Agent or any of its agents, counsel or Affiliates in making its investment decision hereunder, and confirms that none of such Persons has made any direct or implied representations or warranties to such Purchaser in connection with the transactions contemplated by the Transaction Documents.

(l) Reliance on Exemptions. Such Purchaser understands that the Shares and the Restricted ADSs are being offered and sold to it in reliance on specific exemptions from the registration requirements of U.S. federal and state securities laws and that the Company is relying in part upon the truth and accuracy of, and such Purchaser’s compliance with, the representations, warranties, agreements, acknowledgements and understandings of such Purchaser set forth herein in order to determine the availability of such exemptions and the eligibility of such Purchaser to acquire the Shares in the form of Restricted ADSs.

(m) No Governmental Review. Such Purchaser understands that no U.S. federal or state agency or any other government or governmental agency or French government or governmental agency has passed on or made any recommendation or endorsement of the Shares or the Restricted ADSs or the fairness or suitability of the investment in the Shares or the Restricted ADSs nor have such authorities passed upon or endorsed the merits of the offering of the Shares or the Restricted ADSs.

The Company acknowledges and agrees that no Purchaser has made or makes any representations or warranties with respect to the transactions contemplated hereby other than those specifically set forth in this Section 3.2.

ARTICLE IV.
OTHER AGREEMENTS OF THE PARTIES

4.1 (a) Compliance with Laws. Notwithstanding any other provision of this Article IV, each Purchaser covenants that the Shares and the Restricted ADRs may only be disposed of pursuant to an effective registration statement under, and in compliance with the requirements of, the Securities Act, or pursuant to an available exemption from, or in a transaction not subject to, the registration requirements of the Securities Act, and in compliance with any applicable U.S. federal or state securities laws. In connection with any transfer of the Shares and the Restricted ADRs other than (i) pursuant to an effective registration statement, (ii) to the Company, (iii) to an Affiliate of a Purchaser, (iv) pursuant to Rule 144(k) or (v) in connection with a bona fide pledge as contemplated in Section 4.1(b) (but not any subsequent transfer or foreclosure), and except as otherwise provided herein, the Company may require the transferor thereof to provide to the Company and the Restricted ADR Depository an opinion of counsel reasonably satisfactory to the Company and the Restricted ADR Depository and their respective legal counsel, to the effect that such transfer does not require registration of such Shares or ADRs under the Securities Act.

(b) Legends. The Restricted ADRs shall bear any legend as required by the “blue sky” laws of any state and a restrictive legend in substantially the following form:

THESE SECURITIES HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION OR THE SECURITIES COMMISSION OF ANY STATE IN RELIANCE UPON AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND, ACCORDINGLY, MAY NOT BE OFFERED OR SOLD EXCEPT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR PURSUANT TO AN AVAILABLE EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND IN ACCORDANCE WITH APPLICABLE STATE SECURITIES LAWS OR BLUE SKY LAWS. THIS LEGEND MAY NOT BE REMOVED AND THIS AMERICAN DEPOSITARY RECEIPT MAY NOT BE SURRENDERED FOR WITHDRAWAL OF THE SHARES UNDERLYING SUCH RECEIPT OR ISSUANCE OF A NEW AMERICAN DEPOSITARY RECEIPT NOT BEARING THIS LEGEND UNLESS, UPON SUCH WITHDRAWAL OR ISSUANCE, SUCH SHARES AND ANY RELATED AMERICAN DEPOSITARY SHARES (1) ARE REGISTERED FOR RESALE UNDER THE SECURITIES ACT PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT OR (2) ARE BEING SOLD OR TRANSFERRED PURSUANT TO RULE 144 (ASSUMING THE TRANSFEROR IS NOT AN AFFILIATE OF THE COMPANY) OR (3) ARE ELIGIBLE FOR SALE UNDER RULE 144(k) AND THE DEPOSIT OF SUCH SHARES IN AN UNRESTRICTED DEPOSITARY FACILITY AND THE SALE OF ANY RELATED AMERICAN DEPOSITARY SHARES BY THAT PERSON ARE NOT OTHERWISE RESTRICTED UNDER THE SECURITIES ACT OF 1933, IN EACH CASE AS EVIDENCED BY A LEGAL OPINION OF COUNSEL REASONABLY SATISFACTORY AND DELIVERED TO THE COMPANY AND THE DEPOSITARY.

The Company acknowledges and agrees that a Purchaser may from time to time pledge, and/or grant a security interest in some or all of the Restricted ADSs, in connection with applicable securities laws, pursuant to a bona fide margin agreement in compliance with a bona fide margin loan. Such a pledge would not be subject to approval or consent of the Company and no legal opinion of legal counsel to the pledgee, secured party or pledgor shall be required in connection with the pledge, but such legal opinion shall be required in connection with a subsequent transfer or foreclosure following default by the Purchaser transferee of the pledge. No notice shall be required of such pledge but Purchaser's transferee shall promptly notify the Company of such subsequent transfer or foreclosure. Each Purchaser acknowledges that the Company shall not be responsible for any pledges relating to, or the grant of any security interest in, any of the Restricted ADSs or for any agreement, understanding or arrangement between any Purchaser and its pledgee or secured party. The Company's indemnification obligations pursuant to this Agreement shall not extend to any Proceeding or Losses arising out of or related to this Section 4.1(b). At the appropriate Purchaser's expense, the Company will execute and deliver such reasonable documentation as a pledgee or secured party of Restricted ADSs may reasonably request in connection with a pledge or transfer of the Restricted ADSs or ADSs representing the Shares, including the preparation and filing of any required prospectus supplement under Rule 424(b)(3) of the Securities Act or other applicable provision of the Securities Act to appropriately amend the list of Selling Shareholders thereunder. Each Purchaser acknowledges and agrees that, except as otherwise provided in Section 4.1(c), any Restricted ADSs subject to a pledge or security interest as contemplated by this Section 4.1(b) shall continue to bear the legend set forth in this Section 4.1(b) and be subject to the restrictions on transfer set forth in Section 4.1(a).

(c) Cancellation of Restricted ADRs. Unless otherwise agreed with the Company and the Restricted ADR Depository, a Restricted ADR may be surrendered by the holder thereof to the Restricted ADR Depository for cancellation, and the Depository shall issue and deliver an ADR with respect to the Restricted ADSs formerly represented by such Restricted ADR to the balance account at DTC provided by such holder, provided that such Restricted ADR is surrendered in connection with a transfer of the related ADSs and provided further that (i) the underlying Shares and any related ADSs are registered for resale under the Securities Act pursuant to an effective Registration Statement, (ii) such ADSs are sold or transferred pursuant to Rule 144 (assuming the transferor is not an Affiliate of the Company), or (iii) such ADSs are eligible for sale under Rule 144(k), and the deposit of such Shares in an unrestricted depository facility and the sale of any related ADSs by that person are not otherwise restricted under the Securities Act, in the case of (ii) and (iii) above, as evidenced by an opinion of counsel for the requesting party addressed and reasonably satisfactory to the Company and the Restricted ADR Depository. In the event that only a portion of the Restricted ADSs represented by a Restricted ADR have been transferred by the holder thereof, the Restricted ADR Depository shall issue a Restricted ADR that includes the legend in 4(b) hereof with respect to the Restricted ADSs that continue to be held by such holder. The Company shall cause its counsel to issue a legal opinion to the Restricted ADR Depository on the Effective Date. Any reasonable fees (with respect to the Restricted ADR Depository,

the Depositary or otherwise) associated with the issuance of such opinion or the removal of such legend shall be borne by the Company. Following the Effective Date or at such earlier time as a legend is no longer required for the Restricted ADRs, the Company will cooperate with the Restricted ADR Depositary to facilitate the issuance of ADRs as described above no later than three (3) Trading Days following the delivery by such Purchaser to the Restricted ADR Depositary (with notice to the Company) of a Restricted ADR (endorsed or with applicable powers attached, signatures guaranteed, and otherwise in form necessary to effect the reissuance and/or transfer and an opinion of counsel to the extent required by Section 4.1(a) or this subsection (c)). The Company may not make any notation on its records or give instructions to the Restricted ADR Depositary that enlarge the restrictions on transfer set forth in this Section.

(d) Acknowledgement. Each Purchaser hereunder acknowledges its primary responsibilities under the Securities Act and accordingly will not sell the Shares or Restricted ADRs or any interest therein without complying with the requirements of the Securities Act. Without limiting the foregoing, each Purchaser acknowledges and agrees that the Shares may not be deposited into any unrestricted depositary receipt facility established or maintained by a depositary bank unless and until such time as the Shares are (1) covered by an effective Registration Statement under the Securities Act or (2) are no longer "restricted securities" within the meaning of Rule 144(a)(3) under the Securities Act, unless (subject to the terms of the Deposit Agreement) such Shares would then be eligible for sale under Rule 144(k) under the Securities Act. While the above-referenced Registration Statement remains effective, each Purchaser hereunder may sell the Shares or any ADRs evidencing ADSs representing the Shares in accordance with the plan of distribution contained in the registration statement and if it does so it will comply therewith and with the related prospectus delivery requirements. Each Purchaser, severally and not jointly with the other Purchasers, agrees that if it is notified by the Company at any time after the legends have been removed pursuant to this Section 4.1 that the registration statement registering the resale of the ADRs is not effective or that the prospectus included in such registration statement no longer complies with the requirements of Section 10 of the Securities Act, the Purchaser will refrain from selling such ADRs until such time as the Purchaser is notified by the Company that such registration statement is effective or such prospectus is compliant with Section 10 of the Exchange Act, unless such Purchaser is able to, and does, sell such ADRs pursuant to an available exemption from the registration requirements of Section 5 of the Securities Act. To provide further assurance in connection with the issuance of non-legended ADRs, each Purchaser hereunder commits that it will continue to hold the Restricted ADRs in its own name or the name of its designee, until such time as the Restricted ADRs are duly and properly sold in compliance with all relevant securities laws.

(e) Buy-In. If the Depositary shall fail for any reason to issue to a Purchaser who holds a Restricted ADR an ADR without such legend representing the ADSs formerly evidenced by such Restricted ADR (or such portion of ADSs formerly evidenced by such Restricted ADR as are proposed to be transferred by such Purchaser pursuant to Section 4.1(c) above) within three (3) Trading Days (such third Trading Day, the "*Delivery Date*") of the delivery by a Purchaser to the Depositary (with notice to the Company) of such Restricted ADR in compliance with any of 4.1(c)(i) through (c)(iii) above in connection with a transfer of such Restricted ADR (endorsed or with applicable powers attached, signatures guaranteed, and otherwise in form necessary to affect the reissuance and/or transfer and an opinion of counsel that has been found to be reasonable by the Company and the Depositary to the extent required by Section 4.1(a) or 4.1(c)), and if after such Delivery Date the Purchaser purchases (in an open market transaction or otherwise) ADSs to deliver in satisfaction of a sale by the Purchaser of ADSs that the Purchaser anticipated receiving from the Depositary without any restrictive legend (a "*Buy-In*"), then the

Company shall, within five (5) Trading Days after the Purchaser's request for compensation hereunder, use its commercially reasonable efforts to cause the Depository to honor its obligation to deliver to the Purchaser such ADSs formerly evidenced by the Restricted ADR that would have been delivered if the Depository had timely complied with its obligations hereunder and pay cash to the Purchaser in an amount equal to the excess (if any) of the Purchaser's total purchase price (including brokerage commissions, if any) for the ADSs so purchased over the product of (a) such number of ADSs formerly evidenced by the Restricted ADR that the Depository was required to deliver to the Purchaser on the Delivery Date and (b) the closing bid price of the ADSs on the Delivery Date. Notwithstanding the foregoing, in the event the Depository fails to honor its obligation to deliver such Purchaser ADSs formerly evidenced by the Restricted ADR that the Depository was required to deliver to the Purchaser within such five (5) Trading Day period, the Company shall pay cash to such Purchaser in an amount equal to (i) such Purchaser's total purchase price (including brokerage commissions, if any) for the ADSs so purchased in such Buy-In less (ii) any payments previously made by the Company to the Purchaser pursuant to the first sentence of this Section 4.1(e), and, if and when such ADSs formerly evidenced by the Restricted ADR that the Depository was required to deliver to the Purchaser are so delivered, such ADSs shall, to the extent permitted by applicable law, be delivered by the Purchaser to the order of the Company or, if the Company so directs, sold on the market with the proceeds therefrom paid to the Company.

4.2 Furnishing of Information. As long as any Purchaser owns Restricted ADRs, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to the Exchange Act. As long as any Purchaser owns Restricted ADRs, if the Company is not required to file reports pursuant to such laws, it will prepare and furnish to the Purchasers and make publicly available in accordance with Rule 144(c) such information as is required for the Purchasers to sell the Restricted ADRs under Rule 144.

4.3 No Integration. The Company shall not, and shall use its best efforts to ensure that no Affiliate of the Company shall, sell, offer for sale or solicit offers to buy or otherwise negotiate in respect of any security (as defined in Section 2 of the Securities Act) that will be integrated with the offer or sale of the Shares in a manner that would require the registration under the Securities Act of the sale of the Shares to the Purchasers named on the signature pages to this Agreement.

4.4 Subsequent Registrations. Other than pursuant to the Registration Statement, prior to the date occurring sixty (60) days after the Effective Date, the Company shall not file any registration statement (other than on Form S-8) with the Commission with respect to any securities of the Company.

4.5 Securities Laws Disclosure: Publicity. By 9:00 a.m. (New York City time) on the Trading Day immediately following the execution of this Agreement, the Company shall issue a press release (the "*Press Release*") reasonably acceptable to the Purchasers disclosing all material terms of the transactions contemplated hereby. Notwithstanding the foregoing, the Company shall not publicly disclose the name of any Purchaser, or include the name of any Purchaser in any press release or filing with the Commission (other than the Registration Statement) or any regulatory agency or Trading Market, without the prior written consent of such Purchaser, except to the extent such disclosure is required by law, request of the Staff of the Commission or Trading Market regulations. From and after the issuance of the Press Release, no Purchaser shall be in possession of any material, non-public information received from the Company, any of its Subsidiaries or any of its respective officers, directors, employees or agents,

that is not disclosed in the Press Release. The Company shall not, and shall cause each of its Subsidiaries and each of their respective officers, directors, employees and agents, not to, provide any Purchaser with any material, non-public information regarding the Company or any of its Subsidiaries from and after the filing of the Press Release without the express written consent of such Purchaser. In the event of a breach of the foregoing covenant by the Company, and provided that the Company shall have failed (following proper written request therefore) to make an appropriate public disclosure consistent with the requirements of Regulation FD, any Subsidiary, or each of their respective officers, directors, employees and agents, in addition to any other remedy provided herein or in the Transaction Documents, a Purchaser shall have the right to make a public disclosure, in the form of a press release, public advertisement or otherwise, of such material non-public information without the prior approval by the Company, its Subsidiaries, or any of its or their respective officers, directors, employees or agents. No Purchaser shall have any liability to the Company, its Subsidiaries, or any of their respective officers, directors, employees or agents for any such disclosure.

2.3 Indemnification.

(a) Indemnification of Purchasers. In addition to the indemnity provided in the Registration Rights Agreement, the Company will indemnify and hold the Purchasers and their directors, officers, shareholders, partners, members, managers, employees and agents (each, a "*Purchaser Party*") harmless from any and all losses, liabilities, obligations, claims, contingencies, damages, costs and expenses, including all judgments, amounts paid in settlements, court costs and reasonable attorneys' fees and costs of investigation (collectively, "*Losses*") that any such Purchaser Party may suffer or incur as a result of or relating to any misrepresentation, breach or inaccuracy of any representation, warranty, covenant or agreement made by the Company in any Transaction Document; *provided, however*, that the Company shall not be obligated to indemnify and hold any Purchaser Party harmless for any Losses to the extent indemnity for such losses is obtained by such Purchaser Party under Section 5(a) of the Registration Rights Agreement (including, without limitation, any Losses for which indemnity may be sought by such Purchaser Party under such Section but in unavailable pursuant to the terms thereof. In addition to the indemnity contained herein, the Company will reimburse each Purchaser Party for its reasonable legal and other expenses (including the cost of any investigation, preparation and travel in connection therewith) incurred in connection therewith, as such expenses are incurred. If and to the extent that such indemnification is unenforceable for any reason, the Company shall make the maximum contribution to the payment and satisfaction of such losses permissible under applicable law. Notwithstanding anything in this Section 4.6(a) to the contrary, if a Purchaser Party is entitled to indemnification under the Registration Rights Agreement with respect to a given set of facts or circumstances relating to any "Registration Statement", any "Prospectus" or any form of prospectus or in any amendment or supplement thereto or any preliminary prospectus (as those terms are defined therein), filed pursuant to such Registration Rights Agreement, and such indemnification is not available due to an express limitation set forth in Section 5(a) of the Registration Rights Agreement, then such Purchaser Party shall not be entitled to indemnification under this Section 4.6(a) to the extent that Losses arise from such facts and circumstances.

(b) Conduct of Indemnification Proceedings. Promptly after receipt by any Person (the "*Indemnified Person*") of notice of any demand, claim or circumstances which would or might give rise to a claim or the commencement of any action, proceeding or investigation in respect of which indemnity may be sought pursuant to Section 4.6(a), such Indemnified Person shall promptly notify the Company in writing and the Company shall assume the defense thereof, including the employment of counsel reasonably satisfactory to such Indemnified Person, and shall assume the payment of all fees and expenses; *provided, however*, that the failure of any Indemnified Person so to notify the Company shall not relieve the Company of its obligations hereunder except to the extent that the Company is actually and

materially prejudiced by such failure to notify. In any such proceeding, any Indemnified Person shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Person unless: (i) the Company and the Indemnified Person shall have mutually agreed to the retention of such counsel; or (ii) in the reasonable judgment of counsel to such Indemnified Person representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. It is understood and agreed that the Company shall not, in connection with any proceeding or related proceeding in the same jurisdiction, be liable for the fees and expenses of more than one separate firm for all Indemnified Persons unless in the reasonable judgment of counsel to an Indemnified Person representation of all of the Indemnified Persons by the same counsel would be inappropriate due to actual differing interests between such Indemnified Person and the other such Indemnified Persons. The Company shall not be liable for any settlement of any proceeding effected without its written consent, which consent shall not be unreasonably withheld, delayed or conditioned, but if settled without such consent, or if there be a final judgment for the plaintiff, the Company shall indemnify and hold harmless such Indemnified Person from and against any Losses by reason of such settlement or judgment. Without the prior written consent of the Indemnified Person, the Company shall not effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Person is or could have been a party and indemnity could have been sought hereunder by such Indemnified Party, unless such settlement includes an unconditional release of such Indemnified Person from all liability arising out of such proceeding.

4.7 Listing of Securities; ADR Facility. Promptly following the date hereof and the Effective Date, the Company shall take all necessary action to cause the ADSs representing the Shares to be listed upon each Trading Market, if any, upon which the Company's ADSs are then listed (subject to official notice of issuance) and shall maintain, so long as any other ADSs shall be so listed, such listing. Further, if the Company applies to have its ADSs or other securities listed on any other Trading Market it shall include in such application the ADSs that may represent the Shares and will take such other action as is necessary to cause the ADSs representing the Shares to be listed on such other Trading Market as promptly as practicable.

4.8 Use of Proceeds. The Company intends to use the net proceeds from the sale of the Shares hereunder for working capital and general corporate purposes and not for the satisfaction of any portion of the Company's debt (other than payment of trade payables and accrued expenses in the ordinary course of the Company's business and consistent with prior practices), or to redeem any Ordinary Shares or Ordinary Share Equivalents or to settle any outstanding Action.

ARTICLE V. CONDITIONS PRECEDENT TO CLOSING

5.1 Conditions Precedent to the Obligations of the Purchasers to Purchase Shares. The obligation of each Purchaser to acquire Shares at the Closing is subject to the fulfillment to such Purchaser's reasonable satisfaction, on or prior to the Closing Date, of each of the following conditions, any of which may be waived by such Purchaser (as to itself only):

(a) Representations and Warranties. The representations and warranties of the Company contained herein shall be true and correct in all material respects (except to the extent that any such representation or warranty is already qualified by materiality, in which case it shall be true and correct in all respects) as of the date when made and as of the Closing Date, as though made on and as of such date;

(b) Performance. The Company and each other Purchaser shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by it at or prior to the Closing;

(c) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents;

(d) Consents. The Company shall have obtained in a timely fashion any and all consents, permits, approvals, registrations and waivers necessary or appropriate for consummation of the purchase and sale of the Shares, all of which shall be and remain so long as necessary in full force and effect;

(e) Adverse Changes. Since the date of execution of this Agreement, no event or series of events shall have occurred that reasonably could have or result in a Material Adverse Effect;

(f) No Suspensions of Trading in ADRs; Listing. Trading in the ADRs shall not have been suspended by the Commission or any Trading Market (except for any suspensions of trading of not more than one Trading Day solely to permit dissemination of material information regarding the Company) at any time since the date of execution of this Agreement, and the ADRs shall have been at all times since such date listed for trading on a Trading Market;

(g) Company Deliverables. The Company shall have delivered the Company Deliverables in accordance with Section 2.2(a);

(h) Compliance Certificate. The Company shall have delivered to each Purchaser a certificate, dated as of the Closing Date and signed by its Chief Executive Officer or its Chief Financial Officer, dated as of the Closing Date, certifying to the fulfillment of the conditions specified in Sections 5.1(a), (b), (c), (d), (e) and (f); and

(i) Termination. This Agreement shall not have been terminated as to such Purchaser in accordance with Section 6.17 herein.

5.2 Conditions Precedent to the Obligations of the Company to sell Shares. The Company's obligation to sell and issue the Shares at the Closing is subject to the fulfillment to the satisfaction of the Company on or prior to the Closing Date of the following conditions, any of which may be waived by the Company:

(a) Representations and Warranties. The representations and warranties made by the Purchasers in Section 3.2 hereof shall be true and correct in all material respects as of the date when made, and as of the Closing Date as though made on and as of such date;

(b) Performance. The Purchasers shall have performed, satisfied and complied in all material respects with all covenants, agreements and conditions required by the Transaction Documents to be performed, satisfied or complied with by the Purchasers at or prior to the Closing;

(c) No Injunction. No statute, rule, regulation, executive order, decree, ruling or injunction shall have been enacted, entered, promulgated or endorsed by any court or governmental

authority of competent jurisdiction that prohibits the consummation of any of the transactions contemplated by the Transaction Documents;

(d) Purchasers Deliverables. Each Purchaser shall have delivered its Purchaser Deliverables in accordance with Section 2.2(b); and

(e) Termination. This Agreement shall not have been terminated as to any Purchaser in accordance with Section 6.17 herein and no Purchaser shall have elected not to purchase Shares for failure of any of the conditions precedent set forth in Section 5.1 to be satisfied (each, a "Termination Event"); provided, however, that if a Termination Event shall have arisen with respect to a Purchaser or Purchasers that, in the aggregate, have subscribed for less than 20% of the Shares, the Company will cause its Board of Directors to convene a meeting to consider whether to authorize the issuance of such lesser amount of Shares for which there shall be remaining Purchasers, it being understood for the avoidance of doubt that the Board of Directors shall be under no obligation to approve such issuance.

ARTICLE VI MISCELLANEOUS

6.1 Fees and Expenses. At Closing, the Company shall reimburse the Placement Agent for the reasonable fees and expenses in connection with the transactions contemplated by this Agreement, which the Company agrees shall include the reasonable fees and expenses of the Placement Agent Counsel (which fees shall include, without limitation, the fees and expenses associated with the negotiation, preparation and execution and delivery of this Agreement and the other Transaction Documents and any amendments, modifications or waivers thereto), all in accordance with, and subject to the limitations set out in, a separate letter agreement. Except as set forth above, the Company and the Purchasers shall each pay the fees and expenses of their respective advisers, counsel, accountants and other experts, if any and all other expenses incurred by such party in connection with the negotiation, preparation, execution, delivery and performance of this Agreement. The Company shall pay all Transfer Agent fees, stamp taxes and other taxes and duties levied in connection with the sale and issuance of the Shares and ADRs. Each party acknowledges that the Placement Agent Counsel has rendered legal advice to the Placement Agent, and not to such party in connection with the transactions contemplated hereby, and that such party has relied for such matters on the advice of its own respective counsel.

6.2 Entire Agreement. The Transaction Documents, together with the Exhibits and Schedules thereto, contain the entire understanding of the parties with respect to the subject matter hereof and supersede all prior agreements, understandings, discussions and representations, oral or written, with respect to such matters, which the parties acknowledge have been merged into such documents, exhibits and schedules. At or after the Closing, and without further consideration, the Company and the Purchasers will execute and deliver to the other such further documents as may be reasonably requested in order to give practical effect to the intention of the parties under the Transaction Documents.

6.3 Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (a) the date of transmission, if such notice or communication is delivered via facsimile (provided the sender receives a machine-generated confirmation of successful transmission) at the facsimile number specified in this Section prior to 5:00 p.m. (New York City time) on a Trading Day, (b) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section on a day that is not a Trading Day or later than 5:00 p.m. (New York City time) on any Trading Day, (c) the Trading Day following the date of mailing, if sent by U.S. nationally recognized overnight courier service, or (d) upon actual receipt by the party to whom such notice is required to be given. The address for such notices and communications shall be as follows:

If to the Company: EDAP TMS S.A.
Parc d'Activites la Poudrette-Lamartine
4/6, rue du Dauphine
69120 Vaulx-en-Velin, France
Telephone No.: +33(0) 47215 3172
Facsimile No.: +33(0) 47215 3144
Attention: Hugues de Bantel

With a copy to: Cleary Gottlieb Steen & Hamilton LLP
City Place House
55 Basinghall Street
London EC2V 5EH England
Telephone No.: +44(0) 207 614 2200
Facsimile No.: +44(0) 207 600 1698
Attention: Pierre-Marie Boury

If to a Purchaser: To the address set forth under such Purchaser's name on the signature page hereof;
or such other address as may be designated in writing hereafter, in the same manner, by such Person.

6.4 Amendments; Waivers; No Additional Consideration. No provision of this Agreement may be waived or amended except in a written instrument signed, in the case of an amendment, by the Company and each of the Purchasers or, in the case of a waiver, by the party against whom enforcement of any such waiver is sought. No waiver of any default with respect to any provision, condition or requirement of this Agreement shall be deemed to be a continuing waiver in the future or a waiver of any subsequent default or a waiver of any other provision, condition or requirement hereof, nor shall any delay or omission of either party to exercise any right hereunder in any manner impair the exercise of any such right. No consideration shall be offered or paid to any Purchaser to amend or consent to a waiver or modification of any provision of any Transaction Document unless the same consideration is also offered to all Purchasers who then hold Shares or ADRs.

6.5 Construction. The headings herein are for convenience only, do not constitute a part of this Agreement and shall not be deemed to limit or affect any of the provisions hereof. The language used in this Agreement will be deemed to be the language chosen by the parties to express their mutual intent, and no rules of strict construction will be applied against any party. This Agreement shall be construed as if drafted jointly by the parties, and no presumption or burden of proof shall arise favoring or disfavoring any party by virtue of the authorship of any provisions of this Agreement or any of the Transaction Documents.

6.6 Successors and Assigns. The provisions of this Agreement shall inure to the benefit of and be binding upon the parties and their successors and permitted assigns. This Agreement, or any rights or obligations hereunder, may not be assigned by the Company without the prior written consent of the Purchasers. Any Purchaser may assign its rights under Sections 4.1, 4.2, 4.3, 4.4 and Section 6 (other than 6.17) in whole or in part to any Person to whom such Purchaser assigns or transfers any Shares or ADSs in compliance with this agreement and applicable law, provided any such Person agrees in writing to abide by the terms and conditions of Sections 4.1, 4.2, 4.3, 4.4 and Section 6 (other than 6.17) to the extent assigned to such Person.

6.7 No Third-Party Beneficiaries. This Agreement is intended for the benefit of the parties hereto and their respective successors and permitted assigns and is not for the benefit of, nor may any provision hereof be enforced by, any other Person, except (i) each Purchaser Party is an intended third party beneficiary of Section 4.6, and (ii) Placement Agent is an intended third party beneficiary of Article III hereof, and each Purchaser Party or the Placement Agent, as the case may be, may enforce the provisions of such Sections directly against the parties with obligations thereunder .

6.8 Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement and any other Transaction Documents (whether brought against a party hereto or its respective Affiliates, employees or agents) shall be commenced exclusively in the New York Courts. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein (including with respect to the enforcement of the any of the Transaction Documents), and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any such New York Court, or that such Proceeding has been commenced in an improper or inconvenient forum. The Company irrevocably waives its rights under the provisions of Article 14 and Article 15 of the French Civil Code. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. Notwithstanding the foregoing, the Company hereby appoints Corporation Service Company, having an address at 1133 Avenue of the Americas, Suite 3100, New York, New York 10036, as its agent for the receipt of service of process in the United States, and shall maintain an agent for service of process in the United States for all applicable periods under this Agreement. The Company agrees that any document may be effectively served on it in connection with any action, suit or proceeding in the United States by service on such agent.

6.9 Survival. Subject to applicable statute of limitations, the representations, warranties, agreements and covenants contained herein shall survive the Closing and the delivery of the Shares and Restricted ADRs.

6.10 Execution. This Agreement may be executed in two or more counterparts, all of which when taken together shall be considered one and the same agreement and shall become effective when counterparts have been signed by each party and delivered to the other party, it being understood that both parties need not sign the same counterpart. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile signature page were an original thereof.

6.11 Severability. If any provision of this Agreement is held to be invalid or unenforceable in any respect, the validity and enforceability of the remaining terms and provisions of this Agreement shall not in any way be affected or impaired thereby and the parties will attempt to agree upon a valid and enforceable provision that is a reasonable substitute therefor, and upon so agreeing, shall incorporate such substitute provision in this Agreement.

6.12 Rescission and Withdrawal Right. Notwithstanding anything to the contrary contained in (and without limiting any similar provisions of) the Transaction Documents, whenever any Purchaser exercises a right, election, demand or option under a Transaction Document and the Company does not timely perform its related obligations within the periods therein provided, then such Purchaser may rescind or withdraw, in its sole discretion from time to time upon written notice to the Company, any relevant notice, demand or election in whole or in part without prejudice to its future actions and rights.

6.13 Remedies. In addition to being entitled to exercise all rights provided herein or granted by law, including recovery of damages, each of the Purchasers and the Company will be entitled to specific performance under the Transaction Documents. The parties agree that monetary damages may not be adequate compensation for any loss incurred by reason of any breach of obligations described in the foregoing sentence and hereby agrees to waive in any action for specific performance of any such obligation (other than in connection with any action for a temporary restraining order) the defense that a remedy at law would be adequate.

6.14 Payment Set Aside. To the extent permitted by law, to the extent that the Company makes a payment or payments to any Purchaser pursuant to any Transaction Document or a Purchaser enforces or exercises its rights thereunder, and such payment or payments or the proceeds of such enforcement or exercise or any part thereof are subsequently invalidated, declared to be fraudulent or preferential, set aside, recovered from, disgorged by or are required to be refunded, repaid or otherwise restored to the Company, a trustee, receiver or any other person under any law (including, without limitation, any bankruptcy law, U.S. federal or state law, common law or equitable cause of action), then to the extent of any such restoration the obligation or part thereof originally intended to be satisfied shall be revived and continued in full force and effect as if such payment had not been made or such enforcement or setoff had not occurred.

6.15 Adjustments. In the event of any split, subdivision, dividend or distribution payable in Ordinary Shares (or other securities or rights convertible into, or entitling the holder thereof to receive directly or indirectly Ordinary Shares), combination or other similar recapitalization or event occurring after the date hereof, each reference in any Transaction Document to a number of shares or a price per share shall be amended to appropriately account for such event.

6.16 Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under any Transaction Document are several and not joint with the obligations of any other Purchaser, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser under any Transaction Document. The decision of each Purchaser to purchase Shares pursuant to the Transaction Documents has been made by such Purchaser independently of any other Purchaser and independently of any information, materials, statements or opinions as to the business, affairs, operations, assets, properties, liabilities, results of operations, condition (financial or otherwise) or prospects of the Company or any Subsidiary which may have been made or given by any other Purchaser or by any agent or employee of any other Purchaser, and no Purchaser and any of its agents or employees shall have any liability to any other Purchaser (or any other Person) relating to or arising from any such information, materials, statement or opinions. Nothing contained herein or in any Transaction Document,

and no action taken by any Purchaser pursuant thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert or as a group with respect to such obligations or the transactions contemplated by the Transaction Documents. Each Purchaser acknowledges that no other Purchaser has acted as agent for such Purchaser in connection with making its investment hereunder and that no Purchaser will be acting as agent of such Purchaser in connection with monitoring its investment in the Shares or enforcing its rights under the Transaction Documents. Each Purchaser shall be entitled to independently protect and enforce its rights, including without limitation the rights arising out of this Agreement or out of the other Transaction Documents, and it shall not be necessary for any other Purchaser to be joined as an additional party in any proceeding for such purpose. The Company acknowledges that each of the Purchasers has been provided with the same Transaction Documents for the purpose of closing a transaction with multiple Purchasers and not because it was required or requested to do so by any Purchaser. The Company's obligations to each Purchaser under this Agreement are identical to its obligations to each other Purchaser other than such differences resulting solely from the number of Shares purchased by such Purchaser, but regardless of whether such obligations are memorialized herein or in another agreement between the Company and a Purchaser.

6.17 Termination. This Agreement may be terminated and the sale and purchase of the Shares abandoned at any time prior to the Closing by either the Company or any Purchaser (with respect to itself only) upon written notice to the other, if the Closing has not been consummated on or prior to 5:00 p.m. (New York City time) on the Outside Date; *provided, however*, that the right to terminate this Agreement under this Section 6.17 shall not be available to any Person whose failure to comply with its obligations under this Agreement has been the cause of or resulted in the failure of the Closing to occur on or before such time. Nothing in this Section 6.17 shall be deemed to release any party from any liability for any breach by such party of the terms and provisions of this Agreement or the other Transaction Documents or to impair the right of any party to compel specific performance by any other party of its obligations under this Agreement or the other Transaction Documents. In the event of a termination pursuant to this Section, the Company shall promptly notify all non-terminating Purchasers. Upon a termination in accordance with this Section, the Company may, in its sole discretion, elect to terminate this Agreement with respect to all other Purchasers. In the event the Company elects to terminate this Agreement with respect to all Purchasers, no party hereunder shall have any further obligation or liability (including arising from such termination) to any other party, including under the Transaction Documents as a result therefrom. If the Company elects to terminate this Agreement only with the terminating Purchaser(s), the Company and the terminating Purchaser(s) shall not have any further obligation or liability (including arising from such termination) to the other and no Purchaser will have any liability to any other Purchaser under the Transaction Documents as a result therefrom.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties hereto have caused this Securities Purchase Agreement to be duly executed by their respective authorized signatories as of the date first indicated above.

EDAP TMS S.A.

By: _____
Name:
Title:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE FOR PURCHASERS FOLLOW]

NAME OF PURCHASER: _____

By: _____

Name:

Title:

Purchase Price Per Share: US\$ _____

Aggregate Purchase Price (Subscription Amount):
US\$ _____

Number of Shares to be acquired: _____

Tax ID No.: _____

Address for Notice:

Telephone No.: _____

Facsimile No.: _____

Attention: _____

Delivery Instructions:
(if different than above)

c/o _____

Street: _____

City/State/Zip: _____

Attention: _____

Telephone No.: _____

EXHIBITS:

- A: Form of Registration Rights Agreement
- B: Form of Opinion of Company Counsel
- C-1: Institutional Accredited Investor Questionnaire
- C-2: ADR Registration Questionnaire
- D: Wire Instructions
- E-1: Subscription Form (English Version)
- E-2: Subscription Form (French Version)

SCHEDULES:

- 3.1(a) Subsidiaries
- 3.1(g) Capitalization

EXHIBIT A

Form of Registration Rights Agreement

EXHIBIT B

Form of Opinion of Company Counsel

In form and substance reasonably satisfactory to the Placement Agent and delivered by Company Counsel at Closing.

INSTRUCTION SHEET FOR EXHIBITS C THRU E

(to be read in conjunction with the entire Securities Purchase Agreement and
Registration Rights Agreement)

- A. Complete the following items in the Securities Purchase Agreement and/or Registration Rights Agreement:
1. Provide the information regarding the Purchaser requested on the signature page. The Securities Purchase Agreement must be executed by an individual authorized to bind the Purchaser.
 2. Exhibit C-1 – Institutional Accredited Investor Questionnaire:

Provide the information requested by Exhibit C-1 (the Certificate for Corporations, Partnerships, Trusts, Foundations, Joint Purchasers (other than married couples) and Other Entities)
 3. Exhibit C-2 – ADR Registration Questionnaire:

Provide the information requested by the ADR Registration Questionnaire.
 4. Annex B to the Registration Rights Agreement-Selling Securityholder Notice and Questionnaire

Provide the information requested by the Selling Securityholder Notice and Questionnaire
 5. Return the signed Securities Purchase Agreement and Registration Rights Agreement to:

Lou Ellis
Roth Capital Partners, LLC
24 Corporate Plaza
Newport Beach, CA 92660
Tel: 949-720-5739
Fax: 949-720-7227
Email: LEllis@rothcp.com
- B. Instructions regarding the transfer of funds for the purchase of Shares is set forth on Exhibit D to the Securities Purchase Agreement.
- C. Upon the resale of the Registrable Shares by the Purchaser after the Registration Statement covering the Registrable Shares is effective, as described in the Securities Purchase Agreement, the Purchaser must confirm that a current prospectus is deemed to be delivered to such buyer in accordance with Rule 172.

- __ (3) An insurance company as defined in Section 2(13) of the Securities Act;
- __ (4) An investment company registered under the Investment Company Act of 1940 or a business development company as defined in Section 2(a)(48) of that Act;
- __ (5) A Small Business Investment Company licensed by the U.S. Small Business Administration under Section 301(c) or (d) of the Small Business Investment Act of 1958;
- __ (6) A plan established and maintained by a state, its political subdivisions, or any agency or instrumentality of a state or its political subdivisions, for the benefit of its employees, if such plan has total assets in excess of \$5,000,000;
- __ (7) An employee benefit plan within the meaning of the Employee Retirement Income Security Act of 1974, if the investment decision is made by a plan fiduciary, as defined in Section 3(21) of such act, which is either a bank, savings and loan association, insurance company, or registered investment adviser, or if the employee benefit plan has total assets in excess of \$5,000,000 or, if a self-directed plan, with investment decisions made solely by persons that are accredited investors;
- __ (8) A private business development company as defined in Section 202(a)(22) of the Investment Advisers Act of 1940;
- __ (9) An organization described in Section 501(c)(3) of the Internal Revenue Code, a corporation, Massachusetts or similar business trust, or partnership, not formed for the specific purpose of acquiring the Shares, with total assets in excess of \$5,000,000;
- __ (10) A trust, with total assets in excess of \$5,000,000, not formed for the specific purpose of acquiring the Shares, whose purchase is directed by a sophisticated person who has such knowledge and experience in financial and business matters that such person is capable of evaluating the merits and risks of investing in the Company;
- __ (11) An entity in which all of the equity owners qualify under any of the above subparagraphs. If the undersigned belongs to this investor category only, list the equity owners of the undersigned, and the investor category which each such equity owner satisfies:

(Continue on a separate piece of paper, if necessary.)

Dated: _____, 2006

Name of Purchaser

Signature and title of authorized officer, partner or trustee

EXHIBIT C-2

ADR Registration Questionnaire

Pursuant to Section 2.2(b) of the Securities Purchase Agreement, please provide us with the following information:

1. The exact name that the ADRs are to be registered in (this is the name that will appear on the Transfer Agent's registry of ADRs). You may use a nominee name if appropriate: _____
2. The relationship between the Purchaser and the Registered Holder listed in response to Item 1 above: _____
3. The mailing address, telephone and telecopy number of the Registered Holder listed in response to Item 1 above: _____

4. The Tax Identification Number of the Registered Holder listed in response to Item 1 above: _____
5. Details of Broker-Dealer to whom ADRs must be delivered (if relevant) _____

6. Other relevant details regarding ADRs delivery. _____

EXHIBIT D

Wire Instructions

PLEASE REMIT BY WIRE TRANSFER THE AMOUNT OF FUNDS EQUAL TO THE AGGREGATE PURCHASE PRICE FOR THE SECURITIES BEING PURCHASED BY THE INVESTOR TO THE FOLLOWING ACCOUNT:

Wire Room of: PNC Bank New Jersey
Caldwell, NJ

ABA # 031207607

For credit to: Lowenstein Sandler PC
Special Trust Account I

Account # 8025720174

For International wires please use SWIFT Code: PNCCUS33

EXHIBIT E-1

Subscription Form
(English Version)

This is a free translation from the French language and is supplied solely for information purposes. Only the original version in French language has legal force.

EDAP TMS S.A.

A French *société anonyme* with a capital of € 1,087,166.73
Registered office: Parc d'activité La Poudrette Lamartine
4, rue du Dauphiné
69120 Vaulx-en-Velin (France)
316 488 204 Registry of Commerce and Companies of Lyon

Further to a delegation of the Ordinary and Extraordinary Shareholders' Meeting of EDAP TMS (the "Company") dated June 29, 2006 and a decision of the Board of Directors' meeting of the Company dated July 27, 2006, a capital increase reserved for a category of investors, without preferential subscription rights, is carried out through cash contribution of a nominal amount of € [amount in letters] ([amount in figures]) by means of creation of [number in letters] ([number in figures]) new shares, issued with an issuance premium of € [amount in letters] ([amount in figures]), and which shall be fully paid-up at the time of their subscription. The share capital would therefore be increased from one million eighty-seven thousand one hundred and sixty-six euros seventy-three cents (1,087,166.73) to € [amount in letters] ([amount in figures]).

The funds from payments relating to this capital increase shall be deposited into the account "*Capital increase*" opened in the Company's name in the books of the bank Natexis Banques Populaires Lyon, 19 Place Tolozan, BP 1204, 69209 Lyon Cedex 01, France, IBAN code No. FR76 30007 53029 04293116000 91, US dollars bank account No. 04293116000 USD.

Subscription Form

The undersigned: [Investor's name], domiciled at [contact information], represented by Mrs./Mr. [•],

Hereby declares that [Investor's name], beneficiary of the suppression of preferential subscription rights, subscribes to [number in letters] ([number in figures]) new shares, issued as part of the Company's capital increase.

Declares that [Investor's name] pays-up the aggregate amount of its subscription, *i.e.* a total amount of € [amount in letters] ([amount in figures]), including € [amount in letters] ([amount in figures]) as nominal amount and € [amount in letters] ([amount in figures]) as issuance premium. [Investor's name] pays-up the amount of its subscription by transfer of USD [amount in letters] ([amount in figures]) on its behalf in the account opened in the name of EDAP TMS, in the books of the bank Natexis Banques Populaires Lyon, 19 Place Tolozan, BP 1204, 69209 Lyon Cedex 01, France, IBAN code No. FR76

30007 53029 04293116000 91, US dollars bank account No. 04293116000 USD. This amount will be converted then into euros and transferred to the account “Capital increase” abovementioned.

The undersigned acknowledges that a copy on un-headed paper of this form will be delivered to it.

Done in [_____], on [July] 2006.

[•]1
Represented by:

Mr. [•]

*1 Have the signatures preceded by the handwritten mention:
“Valid for subscription to [number in letters] ([number in figures]) shares”.*

EXHIBIT E-2

Subscription Form
(French Version)

EDAP TMS S.A.

Société anonyme au capital de 1.087.166,73 euros
Siège Social : Parc d'activité La Poudrette Lamartine
4, rue du Dauphiné
69120 Vaulx-en-Velin (France)
316 488 204 R.C.S. Lyon

Suivant délégation de l'Assemblée Générale Mixte des actionnaires de la société EDAP TMS (la "Société") en date du 29 juin 2006 et décision du conseil d'administration de la Société en date du 27 juillet 2006, il est procédé à une augmentation de capital réservée à une catégorie de personnes, avec suppression du droit préférentiel de souscription, par apport en numéraire d'un montant nominal de [_____] (_____) euros par voie de création de [_____] (_____) actions nouvelles, émises avec une prime d'émission de [_____] (_____) euros, et qui devront, lors de leur souscription, être intégralement libérées. Le capital social serait donc porté de un million quatre-vingt-sept mille cent-soixante-six euros et soixante-treize cents (1.087.166,73) à [_____] (_____) euros.

Les fonds provenant des versements se rapportant à cette augmentation de capital seront déposés sur le compte "Augmentation de capital" ouvert au nom de la Société dans les livres de la banque Natexis Banques Populaires Lyon, 19 Place Tolozan, BP 1204, 69209 Lyon Cedex 01, France, code banque n° 30007, code guichet n° 53029, numéro de compte n° 10293116000, clé 61.

Bulletin de souscription

La soussignée : [Nom du fond], domiciliée [adresse], dûment représentée par Madame/ Monsieur [•],

Déclare par le présent bulletin que [Nom du fond], bénéficiaire de la suppression du droit préférentiel de souscription, souscrit à [_____] (_____) actions nouvelles, émises au titre de l'augmentation de capital de la Société.

Déclare que [Nom du fond] libère l'intégralité du montant de sa souscription, soit un montant total de [_____] (_____) euros, dont [_____] (_____) euros au titre du montant nominal et [_____] (_____) euros au titre de la prime d'émission. [Nom du fond] libère sa souscription par un virement de [_____] (_____) USD effectué pour son compte dans le compte ouvert au nom de EDAP TMS dans les livres de la banque Natexis Banques Populaires Lyon, 19 Place Tolozan, BP 1204, 69209 Lyon Cedex 01, France, code IBAN FR76 30007 53029 04293116000 91, compte en dollars US n° 04293116000 USD. Ledit montant sera ensuite converti en euros et viré sur le compte "Augmentation de capital" susvisé.

La soussignée reconnaît qu'une copie sur papier libre du présent bulletin lui a été remise.

Fait à [_____] , le [juillet] 2006.

[•]2
Représentée par :

M. [•]

2 *Faire précéder les signatures de la mention manuscrite :*
« **Bon pour la souscription à [_____ (____)] actions** ».

2 *Faire précéder les signatures de la mention manuscrite :*
« *Bon pour la souscription à [_____ (____)] actions* ».

Schedule 3.1(a)
List of Subsidiaries of EDAP TMS S.A.

Name of Subsidiary	Jurisdiction of Incorporation	Ownership Percentage⁽¹⁾
Technomed Medical Systems S.A.	France	100%
EDAP S.A.	France	100%
EDAP Technomed S.r.l.	Italy	100%
EDAP Technomed, Inc.	United States	100%
EDAP Technomed Co. Ltd.	Japan	100%
EDAP Technomed Sdn Bhd	Malaysia	100%
EDAP GmbH	Germany	100%

(1) Includes shares held directly or indirectly by EDAP TMS S.A.

Schedule 3.1(g)

Capitalization as of July 19, 2006

Number of issued shares:	8,362,821
Number of treasury shares (for the exercise of stock purchase options):	521,990
Number of outstanding shares:	7,840,831
Stock subscription options ¹ :	100,000
Free shares to be granted depending on performance goals ¹ :	552,900
Warrants Healthtronics ¹ :	800,000

1 These options may be exercised as of July 19, 2006, each option granting a right to subscribe for one share.

2 These shares may be granted if the 2006-2007 goals are achieved.

3 200,000 warrants out of the 800,000 may be exercised as of July 19, 2006, each warrant granting a right to subscribe for one share.

REGISTRATION RIGHTS AGREEMENT

This Registration Rights Agreement (this “*Agreement*”) is made and entered into as of July 27, 2006, by and among EDAP TMS S.A., a French société anonyme (the “*Company*”), and the investors signatory hereto (each a “*Purchaser*” and collectively, the “*Purchasers*”).

This Agreement is made pursuant to the Securities Purchase Agreement, dated as of the date hereof among the Company and the Purchasers (the “*Purchase Agreement*”).

NOW, THEREFORE, IN CONSIDERATION of the mutual covenants contained in this Agreement, and for other good and valuable consideration the receipt and adequacy of which are hereby acknowledged, the Company and the Purchasers agree as follows:

1. **Definitions.** Capitalized terms used and not otherwise defined herein that are defined in the Purchase Agreement shall have the meanings given such terms in the Purchase Agreement. As used in this Agreement, the following terms shall have the respective meanings set forth in this Section 1:

“*ADR*” means an American Depositary Receipt evidencing one or more American Depositary Share (each, an “*ADS*”), with each ADS representing one Ordinary Share issued under the unrestricted facility maintained by the Depository under the Deposit Agreement.

“*Advice*” shall have the meaning set forth in Section 6(f).

“*Affiliate*” means, with respect to any person, any other person which directly or indirectly controls, is controlled by, or is under common control with, such person.

“*Business Day*” means a day, other than a Saturday or Sunday, on which banks in New York City and Lyons, France, are open for the general transaction of business.

“*Closing*” has the meaning set forth in the Purchase Agreement.

“*Closing Date*” has the meaning set forth in the Purchase Agreement.

“*Commission*” means the Securities and Exchange Commission.

“*Deposit Agreement*” means the Deposit Agreement dated as of July 31, 1997 among the Company, The Bank of New York as Depository and the owners and beneficial owners of ADRs from time to time, as such agreement may be amended or supplemented.

“*Effective Date*” means the date that the Registration Statement filed pursuant to Section 2(a) is first declared effective by the Commission.

“*Effectiveness Deadline*” means, with respect to the Registration Statement required to be filed to cover the resale by the Holders of the Registrable Securities, the earlier of: (i) the 90th day following the Closing Date; *provided*, that, if the Commission reviews and has written comments to the filed Registration Statement that would require the filing of one or several pre-effective amendments thereto with the Commission, then the Effectiveness Deadline under this clause (i) shall be the 120th day following the Closing Date, and (ii) the fifth (5th) Trading Day following the date on which the Company is notified by the Commission that the Registration Statement will not be reviewed or is no longer subject to further review and comments and the effectiveness of the Registration Statement may be accelerated.

“*Effectiveness Period*” shall have the meaning set forth in Section 2(b).

“*Event*” shall have the meaning set forth in Section 2(c).

“*Event Date*” shall have the meaning set forth in Section 2(c).

“*Exchange Act*” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

“*Filing Deadline*” means, with respect to the Registration Statement required to be filed pursuant to Section 2(a), the 30th calendar day following the Closing Date.

“*Holder*” or “*Holders*” means the holder or holders, as the case may be, from time to time of Registrable Securities.

“*Indemnified Party*” shall have the meaning set forth in Section 5(c).

“*Indemnifying Party*” shall have the meaning set forth in Section 5(c).

“*Losses*” shall have the meaning set forth in Section 5(a).

“*New York Courts*” means the state and federal courts sitting in the City of New York, Borough of Manhattan.

“*Ordinary Shares*” means the ordinary shares of the Company, nominal value € 0.13 per share, and any securities into which such ordinary shares may hereinafter be reclassified.

“*Person*” means an individual or corporation, partnership, trust, incorporated or unincorporated association, joint venture, limited liability company, joint stock company, government (or an agency or subdivision thereof) or other entity of any kind.

“*Proceeding*” means an action, claim, suit, investigation or proceeding (including, without limitation, an investigation or partial proceeding, such as a deposition), whether commenced or threatened.

“*Prospectus*” means the prospectus included in a Registration Statement (including, without limitation, a prospectus that includes any information previously omitted from a prospectus filed as part of an effective registration statement in reliance upon Rule 430A promulgated under the Securities Act), as amended or supplemented by any prospectus supplement, with respect to the terms of the offering of any portion of the Registrable Securities covered by a Registration Statement, and all other amendments and supplements to the Prospectus, including post-effective amendments, and all material incorporated by reference or deemed to be incorporated by reference in such Prospectus.

“*Register*,” “*registered*” and “*registration*” refer to a registration made by preparing and filing a Registration Statement or similar document in compliance with the Securities Act, and the declaration or ordering of effectiveness of such Registration Statement or document.

“*Registrable Securities*” means: (i) the Shares and any ADRs evidencing ADSs representing the Shares and (ii) any securities issued or issuable in respect of the Shares upon any split, dividend or other distribution, recapitalization or similar event; provided, that the Holder has completed and delivered to the Company a Selling Securityholder Notice and Questionnaire; and provided, further, that a Holder’s security shall cease to be Registrable Securities upon the earliest to occur of the following: (A) sale pursuant to a Registration Statement or Rule 144 under the Securities Act (in which case, only such security sold shall

cease to be a Registrable Security); (B) such security becoming eligible for sale by the Holder pursuant to Rule 144(k); or (C) such security having been sold in a transaction not subject to the registration requirements of the Securities Act. In addition, a Holder's securities shall cease to constitute Registrable Securities if all of the Registrable Securities held by such Holder (and its affiliates, partners, members and former members) may be sold under Rule 144 during any ninety (90) day period

“*Registration Statement*” means any registration statement of the Company filed under the Securities Act that covers the resale of any of the Registrable Securities pursuant to the provisions of this Agreement, amendments and supplements to such Registration Statement, including post-effective amendments, all exhibits and all material incorporated by reference or deemed to be incorporated by reference in such Registration Statement.

“*Restricted ADR*” means a certificated American Depositary Receipt that includes restrictive legends as set forth in the Purchase Agreement, evidencing one or more restricted American Depositary Shares (“*Restricted ADSs*”), with each Restricted ADS representing one Share.

“*Rule 144*” means Rule 144 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“*Rule 415*” means Rule 415 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“*Rule 424*” means Rule 424 promulgated by the Commission pursuant to the Securities Act, as such Rule may be amended from time to time, or any similar rule or regulation hereafter adopted by the Commission having substantially the same effect as such Rule.

“*Securities Act*” means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

“*Selling Securityholder Notice and Questionnaire*” means a questionnaire in the form attached as Annex B hereto, or such other form of questionnaire as may reasonably be adopted by the Company from time to time.

“*Shares*” means the Ordinary Shares purchased by the Purchasers on the Closing Date pursuant to the Purchase Agreement.

“*Trading Day*” means (i) a day on which the ADRs are listed or quoted and traded on its primary Trading Market (other than the OTC Bulletin Board), or (ii) if the ADRs are not listed on a Trading Market (other than the OTC Bulletin Board), a day on which the ADRs are traded in the over-the-counter market, as reported by the OTC Bulletin Board, or (iii) if the ADRs are not quoted on any Trading Market, a day on which the ADRs are quoted in the over-the-counter market as reported by the National Quotation Bureau Incorporated (or any similar organization or agency succeeding to its functions of reporting prices); *provided*, that in the event that the ADRs are not listed or quoted as set forth in (i), (ii) and (iii) hereof, then Trading Day shall mean a Business Day.

“*Trading Market*” means whichever of the New York Stock Exchange, the American Stock Exchange, the NASDAQ Global Market, the NASDAQ Capital Market or OTC Bulletin Board on which the ADRs are listed or quoted for trading on the date in question.

2. Registration.

(a) On or prior to the Filing Deadline, the Company shall prepare and file with the Commission a “shelf” Registration Statement covering the resale of all Registrable Securities not already covered by an existing and effective Registration Statement for an offering to be made on a non-underwritten-continuous, basis pursuant to Rule 415 for all cash consideration. The Registration Statement shall be on Form F-3 (except if the Company is not then eligible to register for resale the Registrable Securities on Form F-3, in which case such registration shall be on another appropriate form in accordance with the Securities Act and the Exchange Act selected by the Company); provided that such Form and applicable rules under the Securities Act governing the obligation to file a post-effective amendment permit, in lieu of filing a post-effective amendment that (I) includes any prospectus required by Section 10(a)(3) of the Securities Act or (II) reflects facts or events representing a material or fundamental change in the information set forth in the registration statement, the incorporation by reference of information required to be included in (I) and (II) above to be contained in periodic reports filed pursuant to Section 13 or 15(d) of the Exchange Act in the registration statement. The Registration Statement shall contain (except if otherwise required pursuant to written comments received from the Commission upon a review of such Registration Statement) the “Plan of Distribution” attached hereto as Annex A.

(b) Subject to Section 2(f), the Company shall use its commercially reasonable efforts to cause the Registration Statement to be declared effective by the Commission as soon as practicable and, in any event, no later than the Effectiveness Deadline and shall use its commercially reasonable efforts to keep the Registration Statement continuously effective under the Securities Act until the earlier of (i) such time as all of the Registrable Securities covered by such Registration Statement have been publicly sold by the Holders, or (ii) the date that all Registrable Securities covered by the Registration Statement may be sold by non-affiliates pursuant to Rule 144(k) as determined by counsel to the Company pursuant to a written opinion letter to such effect, addressed and acceptable to the Company's transfer agent and the affected Holders (the “*Effectiveness Period*”). Without prejudice to Section 2(c), if, at any time during the Effectiveness Period, any event shall have occurred as a result of which the Registration Statement (including any amendments or supplements thereto and the prospectuses contained therein) would include an untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein (in the case of any prospectus, in light of the circumstances in which they were made) not misleading, the Company shall as soon as reasonably possible amend or supplement the Registration Statement or related prospectus, as the case may be, which amendment or supplement will correct such statement or omission. Such Registration Statement shall also cover, to the extent allowable under the Securities Act and the rules promulgated thereunder (including Rule 416), such indeterminate number of additional securities resulting from splits, dividends or similar transactions with respect to the Registrable Securities.

(c) If: (i) the Registration Statement is not filed on or prior to the Filing Deadline, (ii) a Registration Statement is not declared effective by the Commission (or otherwise does not become effective) on or prior to its Effectiveness Deadline or (iii) after its Effective Date, such Registration Statement ceases for any reason (including without limitation by reason of a stop order, or the Company's failure to update the Registration Statement or the Company's exercise of any rights pursuant to Section 2(f)), but excluding the inability of any Holder to sell the Registrable Securities covered thereby due to market conditions, to be effective and available to the Holders as to all Registrable Securities to which it is required to cover at any time prior to the expiration of the Effectiveness Period for an aggregate of more than thirty (30) consecutive Trading Days or for more than an aggregate of ninety (90) Trading Days in any twelve (12)-month period (which need not be consecutive), (any such failure or breach in clauses (i), (ii) or (iii) above being referred to as an “*Event*,” and for purposes of clauses (i) or (ii) the date on which such Event occurs, or for purposes of clause (iii) the date which such thirty (30) consecutive or ninety (90) Trading Day period (as applicable) is exceeded, being referred to as “*Event Date*”), then in addition to any other rights available to the Holders: (x)

on such Event Date the Company shall pay to each Holder an amount in cash, as partial liquidated damages and not as a penalty, equal to 1.0% of the aggregate purchase price paid by such Holder pursuant to the Purchase Agreement for any Registrable Securities then held by such Holder (which remedy shall be the sole and exclusive remedy for any Event, provided however, that any Holder can seek, to the extent otherwise available to such Holder, specific performance with respect to any such Event if such Event is not remedied within an aggregate of ninety (90) days after the Event Date); and (y) on each monthly anniversary of each such Event Date thereof (if the applicable Event shall not have been cured by such date) until the applicable Event is cured, the Company shall pay to each Holder an amount in cash, as partial liquidated damages and not as a penalty, equal to 1.0% the aggregate purchase price paid by such Holder pursuant to the Purchase Agreement for any Registrable Securities then held by such Holder. If the Company fails to pay any partial liquidated damages pursuant to this Section in full within seven (7) days after the date payable, the Company will pay interest thereon at a rate of 10% per annum (or such lesser maximum amount that is permitted to be paid by applicable law) to the Holder, accruing daily from the date such partial liquidated damages are due until such amounts, plus all such interest thereon, are paid in full. The partial liquidated damages pursuant to the terms hereof shall apply on a daily pro-rata basis for any portion of a month prior to the cure of an Event, except in the case of the first Event Date. Notwithstanding the foregoing, the maximum payment to a Holder associated with all Events in the aggregate shall not exceed (i) in any thirty (30)-day period, an aggregate of 1.0% of the purchase price paid by such Holder for its Registrable Securities and (ii) 10.0% of the purchase price paid by such Holder for its Registrable Securities.

(d) The Company shall not, from the date hereof until the date occurring sixty (60) days after the Effective Date of the Registration Statement, prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities other than a registration statement on Form S-8.

(e) The Company shall furnish to each Holder for review at least eight (8) Business Days before filing with the Commission, a draft of the Registration Statement covering such Holder's Registrable Securities. Within five (5) Business Days after receipt of a draft of the Registration Statement from the Company, each Holder agrees to furnish to the Company, a completed Selling Securityholder Notice and Questionnaire. The Company shall not be required to include the Registrable Securities of a Holder in a Registration Statement and shall not be required to pay any liquidated or other damages under Section 2(c) to any Holder who fails to so timely furnish to the Company the completed Selling Securityholder Notice and Questionnaire (subject to the requirements set forth in Section 3(a)).

(f) If, after a registration statement becomes effective, the Company notifies the Holders of registered Registrable Securities that the Company considers it appropriate for the registration statement to be amended or supplemented, the holders of such shares shall suspend any further sales of their registered Registrable Securities until the Company advises them that the registration statement has been amended or supplemented. Without limitation, the Company may make such notification to the Holders if there exists at any time material non-public information relating to the Company that in the opinion of the Board of Directors would be prejudicial to the Company or its shareholders if disclosed at this time.

(g) The Registration Statement filed pursuant to this Section 2 may include other securities of the Company with respect to which registration rights have been or will be granted.

3. Registration Procedures.

In connection with the Company's registration obligations hereunder, the Company shall:

(a) Not file a Registration Statement, any Prospectus or any amendments or supplements thereto in which the "Selling Shareholder" section thereof differs from the disclosure received from a Holder in its Selling Securityholder Notice and Questionnaire (as amended or supplemented), except as may otherwise be required by applicable securities law or the Commission.

(b) Notwithstanding Section 2(f) and subject to the remedies provided for in Section 2(c), (i) prepare and file with the Commission such amendments, including post-effective amendments, to each Registration Statement and the Prospectus used in connection therewith as may be necessary to keep such Registration Statement continuously effective as to the applicable Registrable Securities for its Effectiveness Period and prepare and file with the Commission such additional Registration Statements in order to register for resale under the Securities Act all of the Registrable Securities; (ii) cause the related Prospectus to be amended or supplemented by any required Prospectus supplement, and as so supplemented or amended to be filed pursuant to Rule 424; (iii) respond as promptly as reasonably practicable, and in any event within ten (10) Trading Days to any comments received from the Commission with respect to each Registration Statement or any amendment thereto and, as promptly as reasonably possible provide the Holders true and complete copies of all correspondence from and to the Commission relating to such Registration Statement that pertains to the Holders as Selling Shareholders but not any comments that would result in the disclosure to the Holders of material and non-public information concerning the Company; and (iv) comply with the provisions of the Securities Act and the Exchange Act with respect to the disposition of all Registrable Securities covered by each Registration Statement.

(c) Notify the Holders as promptly as reasonably possible (and, in the case of (i)(A) below, not less than three (3) Trading Days prior to such filing, in the case of (iii) and (iv) below, not more than one (1) Trading Day after such issuance or receipt and, in the case of (v) below, not less than three (3) Trading Days prior to the financial statements in any Registration Statement becoming ineligible for inclusion therein) and (if requested by any such Person) confirm such notice in writing no later than one Trading Day following the day (i)(A) when a Prospectus or any Prospectus supplement or post-effective amendment to a Registration Statement is proposed to be filed; (B) when the Commission notifies the Company whether there will be a "review" of such Registration Statement and whenever the Commission comments in writing on any Registration Statement (in which case the Company shall provide true and complete copies thereof and all written responses thereto to each of the Holders but solely as they relate to the Holders as Selling Shareholders or to the Plan of Distribution, and not including any information which the Company believes would constitute material and non-public information); and (C) with respect to each Registration Statement or any post-effective amendment, when the same has been declared effective; (ii) of any other request by the Commission or any other Federal or state governmental authority for amendments or supplements to a Registration Statement or Prospectus or for additional information that pertains to the Holders as Selling Shareholders or the Plan of Distribution; (iii) of the issuance by the Commission of any stop order suspending the effectiveness of a Registration Statement covering any or all of the Registrable Securities or the initiation of any Proceedings for that purpose; (iv) of the receipt by the Company of any notification with respect to the suspension of the qualification or exemption from qualification of any of the Registrable Securities for sale in any jurisdiction, or the initiation or threatening of any Proceeding for such purpose; and (v) of the occurrence of any event or passage of time that makes the financial statements included in a Registration Statement ineligible for inclusion therein or that makes any statement made in such Registration Statement or Prospectus or any document incorporated or deemed to be incorporated therein by reference untrue in any material respect or that requires any revisions to such Registration Statement, Prospectus or other documents so that, in the case of such Registration Statement or the Prospectus, as the case may be, it will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein (in the case of any

Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(d) Use its commercially reasonable efforts to avoid the issuance of, or, if issued, obtain the withdrawal of (i) any order suspending the effectiveness of a Registration Statement, or (ii) any suspension of the qualification (or exemption from qualification) of any of the Registrable Securities for sale in any jurisdiction of the United States, as soon as practicable.

(e) If requested by a Holder, furnish to such Holder, without charge, at least one conformed copy of each Registration Statement and each amendment thereto and all exhibits to the extent requested by such Person (including those previously furnished or incorporated by reference) promptly after the filing of such documents with the Commission; *provided*, that the Company shall have no obligation to provide any document pursuant to this clause that is available on the Commission's EDGAR system.

(f) Upon notification by the Commission that a Registration Statement will not be reviewed or is no longer subject to further review and comments, the Company shall request acceleration of such Registration Statement within five (5) Trading Days after receipt of such notice such that it becomes effective no later than 4:00 p.m. New York City time on the Effective Date and file a prospectus supplement for any Registration Statement, if required under Rule 424, by 9:00 a.m. New York City time the day after the Effective Date.

(g) Prior to any public offering of Registrable Securities, register or qualify of such Registrable Securities for offer and sale under the securities or Blue Sky laws of those jurisdictions within the United States as any Holder requests in writing, to keep each such registration or qualification (or exemption therefrom) effective during the Effectiveness Period and to do any and all other acts or things necessary or advisable to enable the disposition in such jurisdictions of the Registrable Securities covered by the Registration Statements; *provided*, that the Company shall not be required to qualify generally to do business in any jurisdiction where it is not then so qualified or to take any action that would subject the Company to general service of process in any jurisdiction where it is not then so subject or subject the Company to any material tax in any such jurisdiction where it is not then so subject.

(h) Cooperate with the Holders and the Depositary to facilitate the timely preparation and delivery of ADR certificates representing the ADSs to be delivered to a transferee pursuant to the Registration Statement, which certificates shall be free, to the extent permitted by the Purchase Agreement and under law, of all restrictive legends. In connection therewith, if required by the Company's transfer agent or Depositary, the Company shall promptly after the effectiveness of the Registration Statement cause an opinion of counsel as to the effectiveness of the Registration Statement to be delivered to its transfer agent or Depositary, together with any other authorizations, certificates and directions required by the transfer agent or Depositary, which authorize and direct the transfer agent or Depositary to issue such Registrable Securities without legend upon sale by the holder of such ADRs under the Registration Statement.

(i) Following the occurrence of any event contemplated by Section 3(c)(v), as promptly as reasonably possible, prepare a supplement or amendment, including a post-effective amendment, to the affected Registration Statements or a supplement to the related Prospectus or any document incorporated or deemed to be incorporated therein by reference, and file any other required document so that, as thereafter delivered, no Registration Statement nor any Prospectus will contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, form of prospectus or supplement thereto, in light of the circumstances under which they were made), not misleading.

(j) (i) In the time and manner required by each Trading Market, if required by such Trading Market for the admission to listing or quotation, as the case may be, of the Ordinary Shares or

ADRs, as applicable, on such Trading Market, prepare and file with such Trading Market an additional listing application covering all of the Registrable Securities, (ii) take all steps necessary to cause such Registrable Securities to be approved for listing or quotation on each Trading Market as soon as possible thereafter, (iii) provide the Holders evidence of such listing or quotation, and (iv) during the Effectiveness Period, maintain the listing or quotation of such Registrable Securities on each such Trading Market.

(k) As long as any Holder owns Shares that are “restricted securities” under Rule 144 under the Securities Act, the Company covenants to timely file (or obtain extensions in respect thereof and file within the applicable grace period) all reports required to be filed by the Company after the date hereof pursuant to Section 13(a) or 15(d) of the Exchange Act. As long as any Holder owns Shares that are “restricted securities” under Rule 144 under the Securities Act, if the Company is not required to file reports pursuant to Section 13(a) or 15(d) of the Exchange Act, it will timely provide to the Holders and make publicly available as contemplated by Rule 144(c) all such information described in Rule 144(c) so as to make available the benefits of Rule 144 to such Holders. The Company further covenants that it will take such further action as any Holder may reasonably request, all to the extent required from time to time to enable such Person to sell Shares without registration under the Securities Act within the limitation of the exemptions provided by Rule 144 promulgated under the Securities Act, including compliance with the provisions of the Purchase Agreement relating to the transfer of the Shares.

(l) The Company may require each selling Holder to furnish to the Company a certified statement as to the number of ADRs and Ordinary Shares beneficially owned by such Holder and any Affiliate thereof.

4. Registration Expenses. All fees and expenses incident to the Company’s performance of or compliance with its obligations under this Agreement (excluding any underwriting discounts and selling commissions, any stock transfer, stamp duty or similar tax payable upon any resale of the Shares or ADRs, any fees payable by any holder of ADRs or any holder of Ordinary Shares requesting delivery of ADRs under the Deposit Agreement (other than any fees payable to the Depositary upon the issuance of ADRs against surrender of Restricted ADRs, which shall be for the account of the Company) and all legal fees and expenses of legal counsel for any Holder) shall be borne by the Company whether or not any Registrable Securities are sold pursuant to a Registration Statement. The fees and expenses referred to in the foregoing sentence shall include, without limitation, (i) all registration and filing fees (including, without limitation, fees and expenses (A) with respect to filings required to be made with the securities exchanges on which the ADRs are then listed for trading, and (B) in compliance with applicable state securities or Blue Sky laws), (ii) printing expenses (including, without limitation, expenses of printing certificates for Registrable Securities and of printing prospectuses if the printing of prospectuses is reasonably requested by the Holders of a majority of the Registrable Securities included in the Registration Statement), (iii) messenger, telephone and delivery expenses, (iv) fees and disbursements of counsel for the Company, (v) Securities Act liability insurance, if the Company so desires such insurance, and (vi) fees and expenses of all other Persons retained by the Company in connection with the consummation of the transactions contemplated by this Agreement. In addition, the Company shall be responsible for all of its internal expenses incurred in connection with the consummation of the transactions contemplated by this Agreement (including, without limitation, all salaries and expenses of its officers and employees performing legal or accounting duties), the expense of any annual audit and the fees and expenses incurred in connection with the listing of the Registrable Securities on any securities exchange as required hereunder. In no event shall the Company be responsible for any broker or similar commissions or any legal fees or other costs of the Holders.

5. Indemnification.

(a) Indemnification by the Company. The Company shall, notwithstanding any termination of this Agreement, indemnify and hold harmless each Holder, the officers, directors, agents, partners, members, shareholders, Affiliates and employees of each of them, each Person who controls any

such Holder (within the meaning of Section 15 of the Securities Act or Section 20 of the Exchange Act) and the officers, directors, agents and employees of each such controlling Person, to the fullest extent permitted by applicable law, from and against any and all losses, claims, damages, liabilities, costs (including, without limitation, reasonable costs of preparation and investigation and reasonable attorneys' fees) and expenses (collectively, "Losses"), as incurred, arising out of or relating to (i) any untrue or alleged untrue statement of a material fact contained in any Registration Statement, any Prospectus or any form of prospectus or in any amendment or supplement thereto (it being understood that the Holder has approved Annex A hereto for this purpose) or in any preliminary prospectus, or arising out of or relating to any omission or alleged omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus or form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading, except to the extent, but only to the extent, that (A) such untrue statements, alleged untrue statements, omissions or alleged omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in the Registration Statement, such Prospectus or such form of Prospectus or in any amendment or supplement thereto (it being understood that each Holder has approved Annex A hereto for this purpose) or (B) in the case of an occurrence of an event of the type specified in Section 3(c)(ii)-(v), the use by a Holder of an outdated or defective Prospectus after the Company has notified such Holder in writing that the Prospectus is outdated or defective and prior to the receipt by such Holder of an Advice (as defined in Section 6(d) below), but only if and to the extent that following the receipt of the Advice the misstatement or omission giving rise to such Loss would have been corrected; *provided, however*, that the indemnity agreement contained in this Section 5(a) shall not apply to amounts paid in settlement of any Losses if such settlement is effected without the prior written consent of the Company, which consent shall not be unreasonably withheld. Each Holder shall notify the Company promptly of the institution, threat or assertion of any Proceeding of which the Holder is aware in connection with the transactions contemplated by this Agreement. Such indemnity shall remain in full force and effect regardless of any investigation made by or on behalf of an Indemnified Party (as defined in Section 5(c)) and shall survive the transfer of the Registrable Securities by the Holders.

(b) Indemnification by Holders. Each Holder shall, notwithstanding any termination of this Agreement, severally and not jointly, indemnify and hold harmless the Company, its directors, officers, agents and employees, each Person who controls the Company (within the meaning of Section 15 of the Securities Act and Section 20 of the Exchange Act), and the directors, officers, agents or employees of such controlling Persons, to the fullest extent permitted by applicable law, from and against all Losses, as incurred, arising solely out of or based solely upon any untrue statement of a material fact contained in any Registration Statement, any Prospectus, or any form of prospectus, or in any amendment or supplement thereto, or arising solely out of or based solely upon any omission of a material fact required to be stated therein or necessary to make the statements therein (in the case of any Prospectus, or any form of prospectus or supplement thereto, in light of the circumstances under which they were made) not misleading to the extent, but only to the extent that such untrue statements or omissions are based solely upon information regarding such Holder furnished in writing to the Company by such Holder expressly for use therein, or to the extent that such information relates to such Holder or such Holder's proposed method of distribution of Registrable Securities and was reviewed and expressly approved in writing by such Holder expressly for use in the Registration Statement (it being understood that the Holder has approved Annex A hereto for this purpose), such Prospectus or such form of Prospectus or in any amendment or supplement thereto; *provided, however*, that the indemnity agreement contained in this Section 5(b) shall not apply to amounts paid in settlement of any Losses if such settlement is effected without the prior written consent of the Holder, which consent shall not be unreasonably withheld. In no event shall the liability of any selling Holder hereunder be greater in amount than the dollar amount of the net proceeds received by such Holder upon the sale of the Registrable Securities giving rise to such indemnification obligation.

(c) Conduct of Indemnification Proceedings. If any Proceeding shall be brought or asserted against any Person entitled to indemnity hereunder (an “*Indemnified Party*”), such Indemnified Party shall promptly notify the Person from whom indemnity is sought (the “*Indemnifying Party*”) in writing, and the Indemnifying Party shall assume the defense thereof, including the employment of counsel reasonably satisfactory to the Indemnified Party and the payment of all reasonable fees and expenses incurred in connection with defense thereof; *provided*, that the failure of any Indemnified Party to give such notice shall not relieve the Indemnifying Party of its obligations or liabilities pursuant to this Agreement, except (and only) to the extent that it shall be finally determined by a court of competent jurisdiction (which determination is not subject to appeal or further review) that such failure shall have prejudiced the Indemnifying Party.

An Indemnified Party shall have the right to employ separate counsel in any such Proceeding and to participate in the defense thereof, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party or Parties unless: (1) the Indemnifying Party has agreed in writing to pay such fees and expenses; (2) the Indemnifying Party shall have failed promptly to assume the defense of such Proceeding and to employ counsel reasonably satisfactory to such Indemnified Party in any such Proceeding; or (3) the named parties to any such Proceeding (including any impleaded parties) include both such Indemnified Party and the Indemnifying Party, and such Indemnified Party shall have been advised by counsel that a conflict of interest would exist if the same counsel were to represent such Indemnified Party and the Indemnifying Party (in which case, if such Indemnified Party notifies the Indemnifying Party in writing that it elects to employ separate counsel at the expense of the Indemnifying Party, the Indemnifying Party shall not have the right to assume the defense thereof and such counsel shall be at the expense of the Indemnifying Party), *provided*, that the Indemnifying Party shall not be liable for the fees and expenses of more than one separate firm of attorneys at any time for all Indemnified Parties. The Indemnifying Party shall not be liable for any settlement of any such Proceeding effected without its written consent, which consent shall not be unreasonably withheld, delayed or conditioned. No Indemnifying Party shall, without the prior written consent of the Indemnified Party, effect any settlement of any pending Proceeding in respect of which any Indemnified Party is a party, unless such settlement includes an unconditional release of such Indemnified Party from all liability on claims that are the subject matter of such Proceeding.

All fees and expenses of the Indemnified Party (including reasonable fees and expenses to the extent incurred in connection with investigating or preparing to defend such Proceeding in a manner not inconsistent with this Section) shall be paid to the Indemnified Party, as incurred, within twenty (20) Trading Days of written notice thereof to the Indemnifying Party (regardless of whether it is ultimately determined that an Indemnified Party is not entitled to indemnification hereunder; *provided*, that the Indemnifying Party may require such Indemnified Party to undertake to reimburse all such fees and expenses to the extent it is finally judicially determined that such Indemnified Party is not entitled to indemnification hereunder).

(d) Contribution. If a claim for indemnification under Section 5(a) or 5(b) is unavailable to an Indemnified Party (by reason of public policy or otherwise), then each Indemnifying Party, in lieu of indemnifying such Indemnified Party, shall contribute to the amount paid or payable by such Indemnified Party as a result of such Losses, in such proportion as is appropriate to reflect the relative fault of the Indemnifying Party and Indemnified Party in connection with the actions, statements or omissions that resulted in such Losses as well as any other relevant equitable considerations. The relative fault of such Indemnifying Party and Indemnified Party shall be determined by reference to, among other things, whether any action in question, including any untrue or alleged untrue statement of a material fact or omission or alleged omission of a material fact, has been taken or made by, or relates to information supplied by, such Indemnifying Party or Indemnified Party, and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such action, statement or omission. The amount paid or payable by a party as a result of any Losses shall be deemed to include, subject to the limitations set forth in Section 5(c), any reasonable attorneys' or other reasonable fees or expenses incurred by such party in connection with any

Proceeding to the extent such party would have been indemnified for such fees or expenses if the indemnification provided for in this Section was available to such party in accordance with its terms.

The parties hereto agree that it would not be just and equitable if contribution pursuant to this Section 5(d) were determined by pro rata allocation or by any other method of allocation that does not take into account the equitable considerations referred to in the immediately preceding paragraph. Notwithstanding the provisions of this Section 5(d), no Holder shall be required to contribute, in the aggregate, any amount in excess of the amount by which the net proceeds actually received by such Holder from the sale of the Registrable Securities subject to the Proceeding exceeds the amount of any damages that such Holder has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) shall be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation.

The indemnity and contribution agreements contained in this Section are in addition to any liability that the Indemnifying Parties may have to the Indemnified Parties and are not in diminution or limitation of the indemnification provisions under the Purchase Agreement.

6. Miscellaneous.

(a) Entire Agreement. This Agreement is intended by the parties as a final expression of their agreement and intended to be a complete and exclusive statement of the agreement and understanding of the parties hereto in respect of the subject matter contained herein. This Agreement supersedes all prior agreements and understandings between the parties with respect to such subject matter, except for, and as provided in the Transaction Documents.

(b) Benefits of the Agreement. The terms and conditions of this Agreement shall inure to the benefit of and be binding upon the respective permitted successors and assigns of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and assigns any rights, remedies, obligations, or liabilities under or by reason of this Agreement, except as expressly provided in this Agreement.

(c) Compliance. Each Holder covenants and agrees that it will comply with the prospectus delivery requirements of the Securities Act as applicable to it (unless an exemption therefrom is available) in connection with sales of Registrable Securities pursuant to the Registration Statement and shall sell the Registrable Securities only in accordance with a method of distribution described in the Registration Statement.

(d) Discontinued Disposition. Each Holder further agrees by its acquisition of such Registrable Securities that, upon receipt of a notice from the Company of the occurrence of any event of the kind described in Section 3(c)(ii)-(v) or given pursuant to Section 2(f), such Holder will forthwith discontinue disposition of such Registrable Securities under the Registration Statement until it is advised in writing (the "*Advice*") by the Company that the use of the applicable Prospectus may be resumed, and, in either case, has received copies of any additional or supplemental filings that are incorporated or deemed to be incorporated by reference in such Prospectus or Registration Statement. The Company may provide appropriate stop orders to enforce the provisions of this paragraph.

(e) Piggy-Back Registrations. If at any time during the Effectiveness Period there is not an effective Registration Statement covering all of the Registrable Securities and the Company shall determine to prepare and file with the Commission a registration statement relating to an offering for its own account or the account of others under the Securities Act of any of its equity securities, other than (i) a registration on Form F-4 or Form S-8 (each as promulgated under the Securities Act) or their then

equivalents relating to equity securities to be issued solely in connection with any acquisition of any entity or business or equity securities issuable in connection with option or other employee or director benefit plans, or (ii) a registration contemplated by Section 6(g), then the Company shall send to each Holder written notice of such determination and, if within fifteen (15) days after receipt of such notice, any such Holder shall so request in writing (which request shall indicate the intended method of distribution of the Registrable Securities by such Holder) the Company shall include in such registration statement all or any part of such Registrable Securities such holder requests to be registered, subject to customary underwriter cutbacks applicable to all holders of registration rights on a pro rata basis; *provided* that if at any time after giving written notice of its intention to register any securities and prior to the effective date of the registration statement filed in connection with such registration, the Company shall determine for any reason not to register or to delay registration of such securities, the Company may, at its election, give written notice of such determination to such Holder and, thereupon, (i) in the case of a determination not to register, shall be relieved of its obligation to register any Registrable Securities in connection with such registration (but not from its obligation to pay expenses in accordance with Section 4 hereof), and (ii) in the case of a determination to delay registering, shall be permitted to delay registering any Registrable Securities being registered pursuant to this Section 6(e) for the same period as the delay in registering such other securities. In such event, the Holder's right to include Registrable Securities in such registration shall be conditioned upon its participation in such underwriting, but only to the extent provided in the immediately succeeding sentence. The Holder, if participating in such distribution, shall enter into an underwriting agreement in customary form with the underwriter or underwriters selected for underwriting by the Company, on terms no less favorable than those applicable to any other Holder, and shall have, the following provisions: (i) a lock-up no longer than any lock-up applicable to any other party to an underwriting agreement with respect to such offering, (ii) an indemnification limited to the amount of net proceeds (i.e., gross proceeds to the Holder less any underwriting discounts, fees and expenses) received by the Holder in such distribution for the sale of Registrable Securities; (iii) representations and warranties by the Holder only relating to the Holder's acquisition and ownership of the Registrable Securities; and (iv) all fees and expenses of such underwriter(s) shall be borne by the Company, provided that each Holder shall bear the underwriting discounts and commissions attributable to the Registrable Securities sold by it in such offering.

(f) Amendments and Waivers. This Agreement may be amended only by a writing signed by all of the parties hereto. The Company may take any action herein prohibited, or omit to perform any act herein required to be performed by it, only if the Company shall have obtained the written consent to such amendment, action or omission to act, of each Purchaser. No consideration shall be offered or paid to any Holder to amend or consent to a waiver or modification of any provision of any of this Agreement unless the same consideration also is offered to all of the Holders. Failure of any party to exercise any right or remedy under this Agreement or otherwise or delay by a party in exercising such right or remedy shall not operate as a waiver thereof.

(g) Notices. Any and all notices or other communications or deliveries required or permitted to be provided hereunder shall be in writing and shall be deemed given and effective on the earliest of (i) the date of transmission, if such notice or communication is delivered via facsimile at the facsimile number specified in this Section prior to 5:00 p.m. (New York City time) on a Trading Day, (ii) the next Trading Day after the date of transmission, if such notice or communication is delivered via facsimile or e-mail to the facsimile number or e-mail addressed specified in this Section on a day that is not a Trading Day or later than 5:00 p.m. (New York City time) on any Trading Day, (iii) the Business Day following the date of mailing, if sent by nationally recognized overnight courier service, or (iv) upon actual receipt by the party to whom such notice is required to be given.

The address for such notices and communications shall be as follows:

If to the Company:		EDAP TMS S.A.
		Parc d'Activites la Poudrette-Lamartine
		4/6, rue du Dauphine
		69120 Vaulx-en-Velin, France
		Facsimile: +33(0) 47215 3144
		Attn: Hugues de Bantel
With a copy to:		Cleary Gottlieb Steen & Hamilton LLP
		City Place House
		55 Basinghall Street
		London EC2V 5EH England
		Facsimile: +44(0) 207 600 1698
		Attn: Pierre-Marie Boury
If to a Purchaser:		To the address set forth under such Purchaser's name on the signature pages hereto.

provided, that any party may change its address for notices by providing written notice to the other parties in the manner prescribed by this Section.

(h) Successors and Assigns. This Agreement shall inure to the benefit of and be binding upon the successors and permitted assigns of each of the parties and shall inure to the benefit of each Holder. The Company may not assign its rights or obligations hereunder without the prior written consent of each Holder. The rights of the Holders hereunder, including the right to have the Company register Registrable Securities pursuant to this Agreement, may be assigned by each Holder to transferees or assignees of all or any portion of the Registrable Securities, but only if (i) the Holder agrees in writing with the transferee or assignee to assign such rights, and a copy of such agreement is furnished to the Company within a reasonable time after such assignment, (ii) the Company is, within a reasonable time after such transfer or assignment, furnished with written notice of the name and address of such transferee or assignee and the securities with respect to which such registration rights are being transferred or assigned, (iii) at or before the time the Company received the written notice contemplated by clause (ii) of this sentence, the transferee or assignee agrees in writing with the Company to be bound by all of the provisions contained herein and in the Purchase Agreement and (iv) the transferee is an "accredited investor" as that term is defined in Rule 501 of Regulation D.

(i) Execution and Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed shall be deemed to be an original and, all of which taken together shall constitute one and the same Agreement. In the event that any signature is delivered by facsimile transmission, such signature shall create a valid binding obligation of the party executing (or on whose behalf such signature is executed) the same with the same force and effect as if such facsimile signature were the original thereof.

(j) Governing Law. All questions concerning the construction, validity, enforcement and interpretation of this Agreement shall be governed by and construed and enforced in accordance with the internal laws of the State of New York, without regard to the principles of conflicts of law thereof. Each party agrees that all Proceedings concerning the interpretations, enforcement and defense of the transactions contemplated by this Agreement (whether brought against a party hereto or its respective Affiliates,

employees or agents) will be commenced in the New York Courts. Each party hereto hereby irrevocably submits to the exclusive jurisdiction of the New York Courts for the adjudication of any dispute hereunder or in connection herewith or with any transaction contemplated hereby or discussed herein, and hereby irrevocably waives, and agrees not to assert in any Proceeding, any claim that it is not personally subject to the jurisdiction of any New York Court, or that such Proceeding has been commenced in an improper or inconvenient forum. The Company irrevocably waives its rights under the provisions of Article 14 and Article 15 of the French Civil Code. Each party hereto hereby irrevocably waives personal service of process and consents to process being served in any such Proceeding by mailing a copy thereof via registered or certified mail or overnight delivery (with evidence of delivery) to such party at the address in effect for notices to it under this Agreement and agrees that such service shall constitute good and sufficient service of process and notice thereof. Nothing contained herein shall be deemed to limit in any way any right to serve process in any manner permitted by law. Each party hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any Proceeding arising out of or relating to this Agreement or the transactions contemplated hereby. If any party shall commence a Proceeding to enforce any provisions of this Agreement, then the prevailing party in such Proceeding shall be reimbursed by the other parties for its attorney's fees and other costs and expenses incurred with the investigation, preparation and prosecution of such Proceeding. Notwithstanding the foregoing, the Company hereby appoints Corporation Service Company, having an address at 1133 Avenue of the Americas, Suite 3100, New York, New York 10036, as its agent for the receipt of service of process in the United States, and shall maintain an agent for service of process in the United States for all applicable periods under this Agreement. The Company agrees that any document may be effectively served on it in connection with any action, suit or proceeding in the United States by service on such agent.

(k) Cumulative Remedies. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

(l) Severability. If any term, provision, covenant or restriction of this Agreement is held by a court of competent jurisdiction to be invalid, illegal, void or unenforceable, the remainder of the terms, provisions, covenants and restrictions set forth herein shall remain in full force and effect and shall in no way be affected, impaired or invalidated, and the parties hereto shall use their reasonable efforts to find and employ an alternative means to achieve the same or substantially the same result as that contemplated by such term, provision, covenant or restriction. It is hereby stipulated and declared to be the intention of the parties that they would have executed the remaining terms, provisions, covenants and restrictions without including any of such that may be hereafter declared invalid, illegal, void or unenforceable.

(m) Headings. The headings in this Agreement are for convenience of reference only and shall not limit or otherwise affect the meaning hereof.

(n) Independent Nature of Purchasers' Obligations and Rights. The obligations of each Purchaser under this Agreement are several and not joint with the obligations of any other Purchaser hereunder, and no Purchaser shall be responsible in any way for the performance of the obligations of any other Purchaser hereunder. The decision of each Purchaser to purchase Securities pursuant to the Transaction Documents has been made independently of any other Purchaser. Nothing contained herein or in any other agreement or document delivered at any closing, and no action taken by any Purchaser pursuant hereto or thereto, shall be deemed to constitute the Purchasers as a partnership, an association, a joint venture or any other kind of entity, or create a presumption that the Purchasers are in any way acting in concert with respect to such obligations or the transactions contemplated by this Agreement. Each Purchaser acknowledges that no other Purchaser has acted as agent for such Purchaser in connection with making its investment hereunder and that no Purchaser will be acting as agent of such Purchaser in connection with monitoring its investment in the Securities or enforcing its rights under the Transaction Documents. Each Purchaser shall be entitled to protect and enforce its rights, including without limitation the rights arising out of this Agreement, and it shall not be necessary for any other Purchaser to be joined as an additional party in

any Proceeding for such purpose. The Company acknowledges that each of the Purchasers has been provided with the same Registration Rights Agreement for the purpose of closing a transaction with multiple Purchasers and not because it was required or requested to do so by any Purchaser.

(o) Currency. Unless otherwise indicated, all dollar amounts referred to in this Agreement are in United States Dollars. All amounts owing under this Agreement are in United States Dollars. All amounts denominated in other currencies shall be converted in the United States dollar equivalent amount in accordance with the applicable exchange rate in effect on the date of calculation.

(p) Further Assurances. The parties shall execute and deliver all such further instruments and documents and take all such other actions as may reasonably be required to carry out the transactions contemplated hereby and to evidence the fulfillment of the agreements herein contained.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGES FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

EDAP TMS S.A.

By: _____
Name:
Title:

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK
SIGNATURE PAGE OF HOLDERS FOLLOW]

IN WITNESS WHEREOF, the parties have executed this Registration Rights Agreement as of the date first written above.

NAME OF INVESTING ENTITY

AUTHORIZED SIGNATORY

By: _____
Name:
Title:

ADDRESS FOR NOTICE

c/o: _____

Street: _____

City/State/Zip: _____

Attention: _____

Tel: _____

Fax: _____

Email: _____

Plan of Distribution

The Selling Shareholders and any of their pledgees, donees, transferees, assignees and successors-in-interest may, from time to time, sell any or all of their ordinary shares in the Company, whether in the form of shares or ADSs (collectively, the “Securities”) on any exchange, market or trading facility on which the Securities are traded or in private transactions. These sales may be at fixed, prevailing market or negotiated prices that may vary. The Selling Shareholders may use any one or more of the following methods when selling Securities:

- ordinary brokerage transactions and transactions in which the broker-dealer solicits purchasers;
- block trades in which the broker-dealer will attempt to sell the Securities as agent;
- purchases by a broker-dealer as principal and resale by the broker-dealer for its account;
- transactions on any national securities exchange or quotation service on which the Securities may be listed or quoted at the time, including the Nasdaq National Market;
- in the over-the-counter market;
- privately negotiated transactions;
- short sales;
- broker-dealers may agree with the Selling Shareholders to sell a specified number of such Securities at a stipulated price per Security;
- through the writing of options;
- a combination of any such methods of sale; and
- any other method permitted pursuant to applicable law.

The Selling Shareholders have agreed not to offer the Securities pursuant to an underwritten offering without our prior consent. The Selling Shareholders may also sell Securities under Rule 144 under the Securities Act, if available, rather than under this prospectus. In addition, Selling Shareholders may decide not to sell any of the Securities offered by them pursuant to this prospectus, and may transfer, devise or gift the Securities by other means not described in this prospectus.

The aggregate proceeds to the Selling Shareholders from the sale of the Securities offered by them hereby will be the purchase price of the Securities less discounts and commissions, if any. In order to comply with the securities laws of some states, if applicable, the Securities may be sold in those jurisdictions only through registered or licensed brokers or dealers.

Broker-dealers engaged by the Selling Shareholders may arrange for other brokers-dealers to participate in sales. Broker-dealers may receive commissions or discounts from the Selling Shareholders (or, if any broker-dealer acts as agent for the purchaser of Securities, from the purchaser) in amounts to be negotiated. These commissions and discounts may be in excess of what is customary for the types of transactions involved.

The Company has advised each Selling Shareholder that it may not use Securities registered on this Registration Statement to cover short sales of Securities made prior to the date on which this Registration Statement shall have been declared effective by the Commission. In connection with the sale of the Securities, the Selling Shareholders may enter into hedging transactions with broker-dealers or other financial institutions, which may engage in short sales of the Securities, deliver the Securities to close out the short positions, or loan or pledge the Securities to parties that in turn may sell the Securities. Similarly, the Selling Shareholders may from time to time pledge or grant a security interest in some or all of the Securities owned by them and, if they default in the performance of their secured obligations, the pledgees or secured parties may offer and sell the Securities so acquired. Selling Shareholders may also enter into options or short sales that require the delivery of Securities to the relevant counterparty. The Selling Shareholders also may transfer the ADRs in other circumstances, in which case the transferees, pledgees or other successors in interest will be the selling beneficial owners for purposes of this prospectus. In each case, such Securities may be sold from time to time under this prospectus, or under an amendment or supplement to this prospectus under Rule 424(b)(3) or other applicable provision of the Securities Act of 1933 amending the list of Selling Shareholders to include such broker-dealer, pledgee, transferee or other successor in interest as a Selling Shareholder under this prospectus.

Upon the Company being notified in writing by a Selling Shareholder that any material agreement has been entered into with a broker-dealer for the sale of Securities through a block trade, special offering, exchange distribution or secondary distribution or a purchase by a broker or dealer, a supplement to this prospectus will be filed, if required disclosing (i) the name of each such Selling Shareholder and of the participating broker-dealer(s), (ii) the number of Securities involved, (iii) the price at which such Securities were sold, (iv) the commissions paid or discounts or concessions allowed to such broker-dealers, where applicable, (v) if applicable, that such broker-dealer(s) did not conduct any investigation to verify the information set out or incorporated by reference in this prospectus, and (vi) other facts material to the transaction. In addition, upon the Company being notified in writing by a Selling Shareholder that a donee or pledgee intends to sell more than 500 Securities, a supplement to this prospectus will be filed if then required in accordance with applicable securities laws.

The Selling Shareholders and any broker-dealers or agents that are involved in selling the Securities may be deemed to be “underwriters” within the meaning of the Securities Act in connection with such sales. In such event, any commissions received by such broker-dealers or agents and any profit on the resale of the Securities may be deemed to be underwriting commissions or discounts under the Securities Act. Each Selling Shareholder has represented and warranted to the Company that it acquired the securities subject to this registration statement in the ordinary course of such Selling Shareholder’s business and, at the time of its purchase of such securities such Selling Shareholder had no agreements or understandings, directly or indirectly, with any person to distribute any such securities. Each Selling Shareholder has further represented and warranted that it is not a broker-dealer.

If the Selling Shareholders use this prospectus for any sale of the Securities, they will be subject to the prospectus delivery requirements of the Securities Act unless an exemption therefrom is available. The Selling Shareholders will be responsible for complying with the applicable provisions of the Securities Act and Exchange Act, and the rules and regulations promulgated thereunder, including, without limitation, Regulation M, as applicable to such Selling Shareholders in connection with resales of their respective Securities under this Registration Statement. Regulation M may restrict the ability of any person engaged in the distribution of the Securities to engage in market-making activities, or the covering of any short positions, with respect to the Securities, including restricting their ability to purchase the Securities or underlying shares for a period of up to five business days prior to the commencement of such distribution. The Selling Shareholders have acknowledged that they understand their obligations to comply with the provisions of the Exchange Act and the rules thereunder relating to stock manipulation, particularly Regulation M.

The Company is required to pay all fees and expenses incident to the registration of the Securities, but we will not receive any proceeds from the sale of the Securities. We estimate that these expenses, excluding any fees, commissions, discounts and concessions of broker-dealers and agents, will be approximately \$[•]. In addition, discounts, concessions, commissions and similar selling expenses, if any, attributable to the sale of Securities will be borne by the Selling Shareholder. The Company has agreed to indemnify the Selling Shareholders against certain losses, claims, damages and liabilities, including liabilities under the Securities Act and state securities laws, relating to the registration of the Securities offered by this prospectus. The Selling Shareholders may agree to indemnify any agent, dealer or broker-dealer that participates in transactions involving sales of the Securities against certain liabilities, including liabilities arising under the Securities Act.

Our ADSs are quoted on Nasdaq under the symbol “EDAP.”

Selling Securityholder Notice and Questionnaire

The undersigned beneficial owner of ordinary shares, nominal value €0.13 per share (the “*Ordinary Shares*”), of EDAP TMS S.A. (the “*Company*”), in either the form of Ordinary Shares or American Depositary Shares (“*ADSs*”) (each ADS representing one Ordinary Share) understands that the Company has filed or intends to file with the Securities and Exchange Commission (the “*Commission*”) a registration statement (the “*Registration Statement*”) for the registration and resale under Rule 415 of the Securities Act of 1933, as amended (the “*Securities Act*”), of the Registrable Securities, as such term is defined in, and in accordance with the terms of, the Registration Rights Agreement, dated as of _____, 2006 (the “*Registration Rights Agreement*”), among the Company and the Purchasers named therein. A copy of the Registration Rights Agreement is available from the Company upon request at the address set forth below. All capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Registration Rights Agreement.

In order to sell or otherwise dispose of any Registrable Securities pursuant to the Registration Statement, a beneficial owner of Registrable Securities generally will be required to be named as a selling shareholder in the related prospectus, deliver a prospectus to purchasers of Registrable Securities and be bound by those provisions of the Registration Rights Agreement applicable to such beneficial owner (including certain indemnification provisions as described below). **Beneficial owners that do not complete this Questionnaire and deliver it to the Company at the address provided below will not be named as selling shareholders in the Prospectus and therefore will not be permitted to sell any Registrable Securities pursuant to the Registration Statement.**

Certain legal consequences arise from being named as a selling securityholder in the Registration Statement and the related prospectus. Accordingly, holders and beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling securityholder in the Registration Statement and the related prospectus.

NOTICE

The undersigned beneficial owner (the “*Selling Securityholder*”) of Registrable Securities hereby elects to include the Registrable Securities owned by it and listed below in Item 3 (unless otherwise specified under such Item 3) in the Registration Statement.

1. Your identity and background as the Beneficial Holder of Registrable Securities

(a) Your full legal name: _____

(b) Citizenship: _____

(c) Social Security No. or Taxpayer ID No.: _____

(d) Your address, telephone number, facsimile number and email address for receipt of notices and other purposes:

Address: _____

Telephone No.: _____

Fax No.: _____

Email Address: _____

Contact Person: _____

- (e) Full legal name of person through which you hold the Registrable Securities only if different than as set forth in Item 1(a) above (*i.e.* name of your broker or the DTC participant, if applicable, through which your Registrable Securities are held):

Name of broker: _____

DTC No.: _____

Contact Person: _____

Telephone No.: _____

2. Your Relationship with the Company

- (a) Have you or any of your affiliates, officers, directors or principal equity holders (owners of 5% or more of the equity securities of the undersigned) held any position or office or have you had any other material relationship with the Company (or its predecessors or affiliates) within the past three years?

Yes

No

- (b) If your response to Item 2(a) above is yes, please state the nature and duration of your relationship with the Company:

- (c) Are you aware of any voting trust or other similar agreement relating to more than 5% of any class of voting securities of the Company?

Yes

No

- (d) If your response to Item 2(c) above is "yes", please describe.

(e) Have you engaged in any transaction, or series of similar transactions, since the beginning of January 1, 2005 to which the Company or any of its subsidiaries was or is to be a party in which the amount involved exceeds \$60,000?

- Yes
 No

(f) If your answer is “yes” to Item 2(e), please briefly describe the transaction or transactions below:

3. Your interest in the Registrable Securities

(a) State the total number of Registrable Securities you have purchased:

(b) Do you beneficially own^[1] any securities of the Company other than the Registrable Securities?

- Yes
 No

(c) If your answer to Item 3(b) above is yes, state the type, the aggregate amount or number of shares of such other securities of the Company beneficially owned by you:

Type: _____

Aggregate Amount/Number: _____

CUSIP No(s): _____

Holder of record: _____

Note: List separately securities held of record jointly with another person, in a fiduciary capacity or in a name other than your own. Attach additional sheets and itemize, if necessary.

¹ NOTE: For purposes of this question, securities are considered “beneficially owned” by a person if the person, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power and/or investment power with respect to such securities. “Voting power” is the power to vote or direct the voting of the securities, and “investment power” is the power to dispose of (or direct the disposition of) the securities.

(d) Do you have both sole voting power and sole investment power with respect to all the Registrable Securities that you purchased and any securities already beneficially owned by you?

- Yes
- No

(e) If your answer to Item 3(d) above is no, provide information in the space below with respect to those persons who have sole voting power and sole investment power, with respect to the Registrable Securities that you purchased and any securities already beneficially owned by you.

(f) Do you wish to disclaim beneficial ownership of any Registrable Securities or other securities of the Company (either to be purchased in the proposed offering or currently owned) that are described above?

- Yes
- No

(g) If your answer to Item 3(f) is yes, provide information in the space below with respect to why you wish to disclaim beneficial ownership, including the number of securities as to which beneficial ownership is disclaimed.

(h) Do you have the right to acquire beneficial ownership of any Ordinary Shares or other securities of the Company within 60 days?

- Yes
- No

- (i) If your answer to Item 3(h) is yes, state the number of Ordinary Shares or other securities of the Company as to which you have the right to acquire beneficial ownership within 60 days in the space provided below and describe the date and circumstances under which you have any such right of acquisition.

- (j) At the time of your receipt of the Registrable Securities upon the completion of the sale of Ordinary Shares, did you have any agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?

- Yes
 No

- (k) If your response to Item 3(j) above is yes, please describe such agreements or understandings:

4. Beneficial Ownership

- (a) Is the beneficial holder of the Registrable Securities (whether now held or to be purchased) an SEC-reporting company?

- Yes
 No

- (b) If your answer to Item 4(a) above is no, name the natural person(s) who exercise voting or investment control over the Registrable Securities (whether now held or to be purchased) and give their current titles and describe the relationship of such individuals to the beneficial owner, including their relationships with any intermediate entities, naming such entities:

Name(s) of Natural Person(s) and Title(s): _____

5. NASD Affiliates and Associates

- (a) Are you or is the person with voting and dispositive power over the Registrable Securities to be purchased by you a member of The National Association of Securities Dealers, Inc. (“*NASD*”), a person associated with a member or associated person of a member of the NASD, or a broker-dealer registered pursuant to Section 15 of the Exchange Act?
- Yes
 No
- (b) If your answer is “yes” to Item 5(a), did you receive your Registrable Securities as compensation for investment banking services to the Company?
- Yes
 No

Note: If “no”, the Commission’s staff has indicated that you should be identified as an underwriter in the Registration Statement.

- (c) Are any of your affiliates or any member of your immediate family^[1] a member of the NASD or a broker-dealer registered pursuant to Section 15 of the Exchange Act, or an owner of stock or other securities of a member of the NASD?
- Yes
 No
- (d) If your response to Item 5(a) and 5(c) above is no, are you, any of your affiliates or any member of your immediate family an “affiliate” of a member of the NASD or a broker dealer registered pursuant to Section 15 of the Exchange Act?
- Yes
 No

Note: For the purposes of this Item 5(d), an “affiliate” of a registered broker-dealer shall include any company that directly, or indirectly through one or more intermediaries, controls, is controlled by, or is under common control with, such NASD member or broker-dealer, but excludes any individuals who are merely employed by such NASD member or broker-dealer or its affiliates.

- (e) If your response to Item 5(d) above is “yes”, do you certify that you bought the Registrable Securities in the ordinary course of business, and at the time of the purchase of the Registrable Securities to be resold, you had no agreements or understandings, directly or indirectly, with any person to distribute the Registrable Securities?
- Yes
 No

² Immediate family includes your parents, mother-in-law, father-in-law, spouse, siblings, brothers-in-law and sisters-in-law, children, sons-in-law and daughters-in-law, and any other individual who is supported to a materiel extent by you.

Note: If “no”, the Commission’s staff has indicated that you should be identified as an underwriter in the Registration Statement.

6. Plan of Distribution

Except as set forth below, the undersigned (including its donees or pledgees) intends to distribute the Registrable Securities listed in Item 3 pursuant to the Registration Statement only as set out in Annex A to the Registration Rights Agreement (if at all).

State any exceptions to the description set out in Annex A to the Registration Rights Agreement here:

Note: In no event will such method(s) of distribution take the form of an underwritten offering of the Registrable Securities without the prior agreement of the Company.

Certain legal consequences arise from being named as a selling securityholder in the Registration Statement and the related prospectus. Accordingly, beneficial owners of Registrable Securities are advised to consult their own securities law counsel regarding the consequences of being named or not being named as a selling securityholder in the Registration Statement and the related prospectus.

The undersigned acknowledges its obligation to comply with the provisions of the Securities Exchange Act of 1934, as amended, and the rules thereunder relating to securities manipulation, particularly Regulation M thereunder (or any successor rules or regulations) and the rules of the Securities Act relating to prospectus delivery in connection with any offering of Registrable Securities pursuant to the Registration Statement. The undersigned agrees that neither it nor any person acting on its behalf will engage in any transaction in violation of such provisions.

The undersigned hereby acknowledges and is advised of the following Interpretation A.65 of the July 1997 SEC Manual of Publicly Available Telephone Interpretations regarding short selling:

“An Issuer filed a Form S-3 registration statement for a secondary offering of common stock which is not yet effective. One of the selling shareholders wanted to do a short sale of common stock “against the box” and cover the short sale with registered shares after the effective date. The issuer was advised that the short sale could not be made before the registration statement become effective, because the shares underlying the short sale are deemed to be sold at the time such sale is made. There would, therefore, be a violation of Section 5 if the shares were effectively sold prior to the effective date.”

By returning this Questionnaire, the undersigned will be deemed to be aware of the foregoing interpretation.

In the event that the Company is required to file a new or additional registration statement to register Registrable Securities beneficially owned by the undersigned for any reason, the undersigned hereby agrees to complete and return to the Company, upon the request of the Company, a new Questionnaire (in a form substantially similar to this Questionnaire).

In the event that the undersigned transfers its Registrable Securities after the date on which the information in this Questionnaire is provided to the Company (to the extent permitted under the Registration Rights Agreement), the undersigned agrees to notify the transferee(s) at the time of transfer of its rights and obligations hereunder.

By signing below, the undersigned consents to the disclosure of the information contained in this Questionnaire and the inclusion of such information in the Registration Statement, the related prospectus and any state securities or "Blue Sky" applications. The undersigned understands that the information in this Questionnaire will be relied upon by the Company in connection with the preparation or amendment of the Registration Statement or related prospectus.

By signing below, the undersigned represents that the information provided herein is accurate and complete. The undersigned agrees to notify the Company promptly of any material inaccuracies or changes in the information provided herein that may occur subsequent to the date hereof at any time while the Registration Statement remains effective.

Once this Questionnaire is executed by the undersigned beneficial holder and received by the Company, the terms of this Questionnaire, and the representations and warranties contained herein, shall be binding on, shall inure to the benefit of and shall be enforceable by the respective successors, heirs, personal representatives and assigns of the Company and shall be governed in all respects by the internal laws of the State of New York.

Dated: _____, 2006

(Name) [Please print or type]

By: _____
(Authorized Signature)

Title: _____

PLEASE RETURN THE COMPLETED AND EXECUTED QUESTIONNAIRE TO THE COMPANY:

EDAP TMS S.A.
Parc d'Activites la Poudrette-Lamartine
4/6, rue du Dauphine
69120 Vaulx-en-Velin, France
Telephone No.: +33(0) 47215 3172
Facsimile No.: +33(0) 47215 3144
Attention: Blandine Confort
Investor Relations / Legal Affairs