
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 6 K

REPORT OF FOREIGN PRIVATE ISSUER

PURSUANT TO RULE 13a-16 OR 15d-16

UNDER THE SECURITIES EXCHANGE ACT OF 1934

EDAP TMS S.A. Files

Presentation to Investors

Road Show U.S.A.

From Jan. 16, 2006 to Jan. 27, 2006

EDAP TMS S.A.

**Parc Activite La Poudrette Lamartine
4/6 Rue du Dauphine
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

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: 01-17-2006

EDAP TMS S.A.

/S/ HUGUES DE BANTEL

HUGUES DE BANTEL
CHIEF EXECUTIVE OFFICER



EDAP TMS Investor Summary

The world leader in HIFU for localized prostate cancer

Hugues de Bantel: Chief Executive Officer
Philippe Chauveau: Chairman of the Board
January 2006



Forward Looking Statements



This presentation contains, in addition to historical information, forward- looking statements that involve risks and uncertainties. These include statements regarding the Company's growth and expansion plans. Such statements are based on management's current expectations and are subject to a number of uncertainties and risks that could cause actual results to differ materially from those described in the forward-looking statements. Factors that may cause such a difference include, but are not limited to, those described in the Company's filings with the Securities and Exchange Commission.



Company Overview



EDAP TMS S.A. is the world leader in High Intensity Focused Ultrasound treatment for prostate cancer.

The company develops and markets Ablatherm[®]-HIFU, a proven minimally invasive and effective treatment option for localized prostate cancer, preserving patient quality of life. The company is also developing this technology for the treatment of certain other types of tumors.

EDAP also develops and commercializes medical equipment for treatment of urinary tract stones using Extra-corporeal Shockwave Lithotripsy (ESWL), an established treatment choice.



EDAP TMS Global Operations



EDAP is Addressing Two Major Pathologies in Urology: Prostate Cancer & Urinary Stones

HIFU

**A new advance in the
treatment of prostate cancer
50% gross margin***

- **Approved in Europe, Canada, Russia, Australia, South East Asia**
- **Start of US clinical trials approved by FDA**
- **High growth market**
- **New market, reimbursement opportunities**
- **Site and per-use options**
- **Make-it-happen model**

LITHOTRIPSY

**A mature treatment for basic
urological tract stones
30% gross margin***

- **Provides momentum for overall business**
- **Driven by replacement**
- **Gaining market share**
- **Predictable margins and cycles**
- **Worldwide network to build on**
- **Bringing new products to the pipe**

*as of September 05

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Global Growth Platform



- **2004 operational turnaround demonstrated cash-positive capabilities in both divisions**
- **In 2005, market expansion was driven by the following strategy:**
 - ▶ **Expanded mobile services base and treatments**
 - ▶ **Continued strong site and treatment growth rates**
 - ▶ **Launched Ablatherm[®]-HIFU in new countries**
 - ▶ **Secured reimbursements in key countries, including UK**
- **Strengthened gross margins: 41%+ as of Sept. '05**
- **Maintained growth in high margin services contracts**
- **Used cash to fund marketing campaigns to patients and doctors in key countries, expand to new markets**
- **Ready for FDA trials sponsored by HealthTronics (HTRN) starting early 2006**

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Focus on Ablatherm[®]-HIFU



The Market Potential for Minimally Invasive Prostate Cancer Treatment Represents EDAP's High Growth Opportunity





The Ablatherm[®]-HIFU Solution



EDAP is committed to:

- **Offer patients the best combination Safety and Efficacy**
- **Full enlightenment of patients about existing treatment options**
- **Preserve patient quality of life**

Ablatherm-HIFU is The Solution for growing sensitivity and awareness from prostate cancer patients about:

- Their safety
- Their health
- Their family life
- Their sexual drive
- Their future



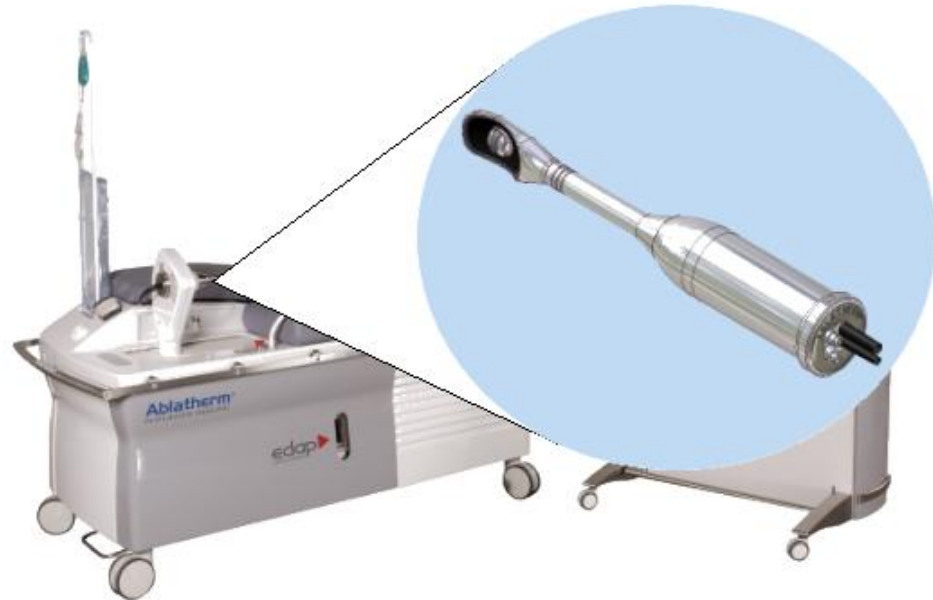
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Focus on Ablatherm[®]-HIFU



The New Integrated Imaging Ablatherm: The Most Advanced HIFU Technology with the New Dual Function Probe



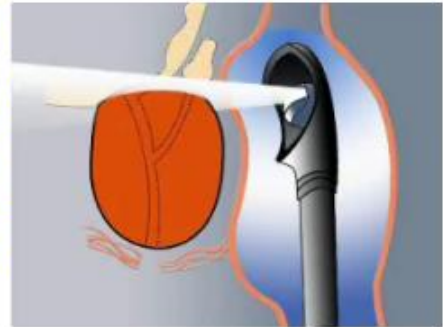


Focus on Ablatherm®-HIFU

Imaging & Treating Simultaneously

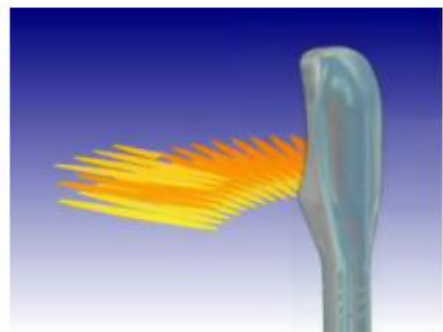
Imaging

From a transversal real-time image, the 7.5 MHz electronic ultrasound transducer can provide an accurate 3D reconstruction of the treatment area



Firing

High-energy ultrasound waves are focused through the rectal wall to the targeted prostate area without damaging surrounding tissues

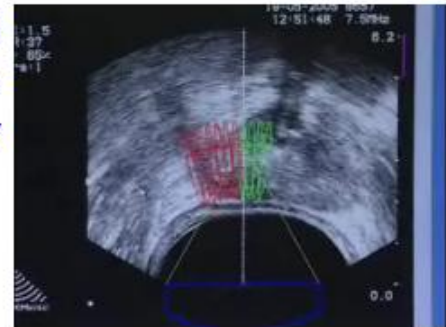




Focus on Ablatherm[®]-HIFU

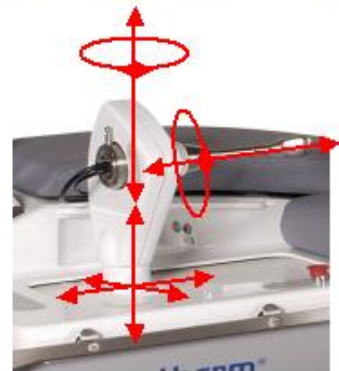
Imaging and treating

The firing process is visible in real time on the echographic display



Robotized probe placement

5 axis computer controlled movements, a very sophisticated device with fully robotized motion control for precise probe positioning





HIFU Market

Market Driving EDAP Forward

- **Prostate Cancer: 2nd most common cancer in American and European males:**
 - ▶ 231,000 new cases per year in the USA*
 - ▶ 238,000 new cases per year in Europe**

- **Dramatic increase in worldwide public awareness:**
 - ▶ Increased sensitivity toward Quality of Life
 - ▶ Systematic PSA screening
 - ▶ Huge awareness campaigns

- **Significant increase in Prostate Cancer cases:**
 - ▶ Increase in life expectancy
 - ▶ Aging baby boomers

- **Growing awareness & concern related to significant side effects with traditional treatments**

* (Sources 2004 American Cancer Society)

** (Sources: 2004, International Agency for Research on Prostate Cancer)



HIFU Market

The current market scope for Ablatherm-HIFU is 70% of all prostate cancer cases



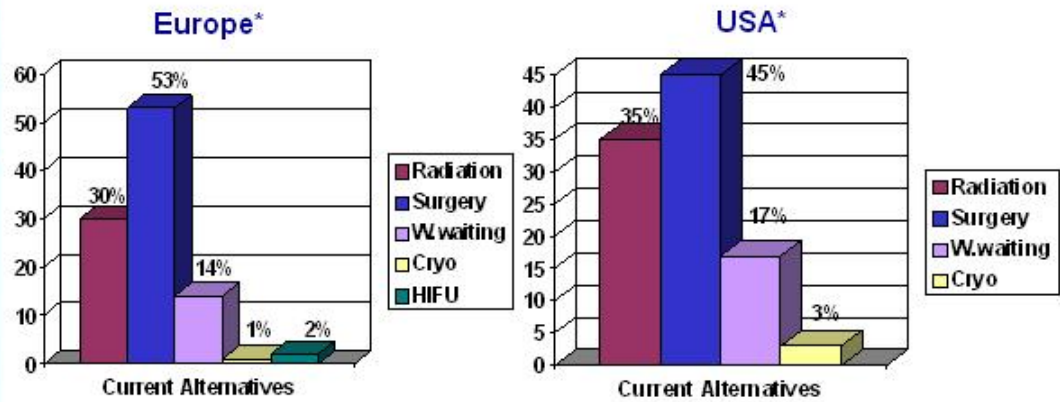
Today, less than 1% of these patients are treated with Ablatherm-HIFU!



HIFU Market

Currently Available Therapies for Localized Prostate Cancer

- **Current alternatives to HIFU:**
 - Surgery
 - Radiation
 - Watchful Waiting
 - Cryosurgery



- **Large number of treatments today performed by specialists other than urologists**

*Corporate estimates

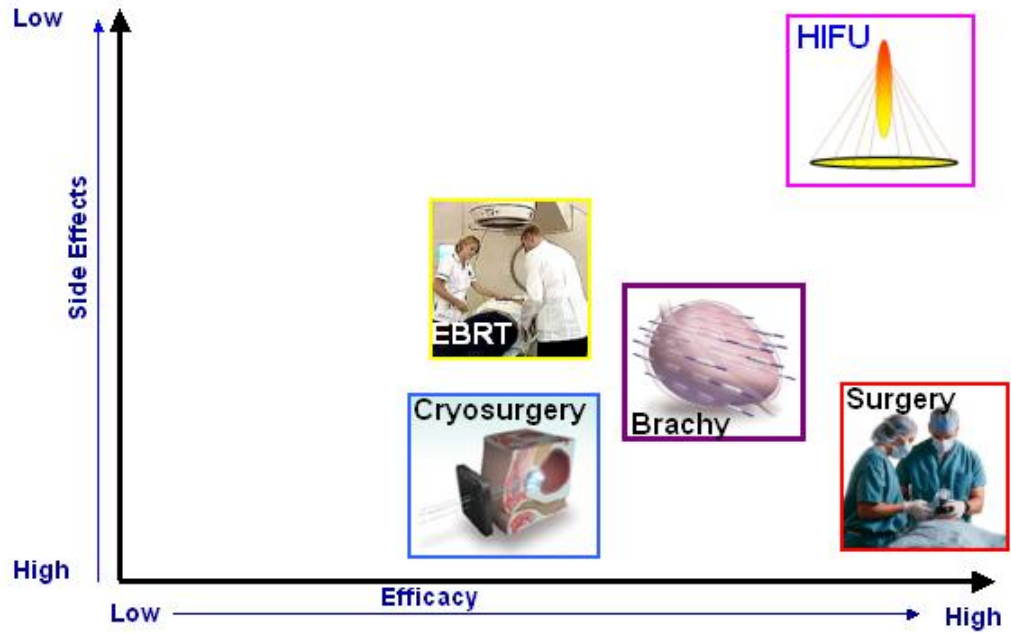


HIFU Market

The Best Solution Available Today:

- Optimal efficacy

- Preserving quality of life



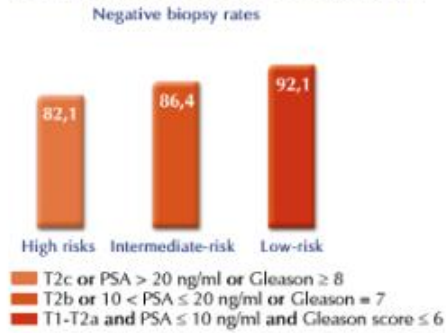


HIFU Market

Our Proven Efficacy*

Confirmed at Five Years**

T1-T2 Population (First Choice Therapy)



* C. Chaussy, S. Thüroff, G. Vallancien, W. Wieland, H.J. Kiel, A. Le Duc, F. Desgranchamps, J. de la Rosette, A. Gelet: *High Intensity Focused Ultrasound and Localized Prostate Cancer: Efficacy Results of the European Multicentric Study, The Journal Of Urology, October 2003*

87% 93.4%



- 87% of patients with a PSA back to normal at 3 months (PSA < 1ng/ml)
- 93.4% of all patients had negative controlled biopsies

Disease free progression at 5 years comparable to established treatment modalities

** Blana & al. Urology, 2004

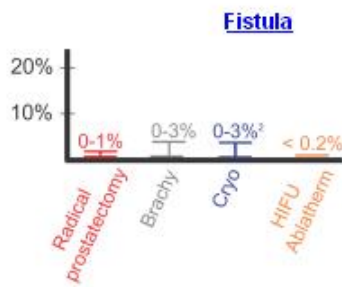
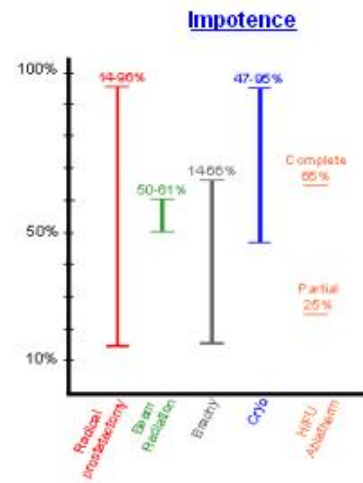
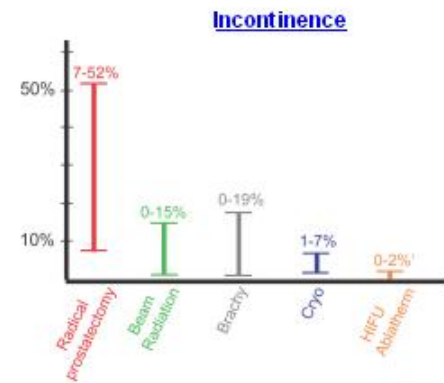


HIFU Market



Bringing New Horizons to Therapy

Preservation of Quality of Life : Lowest Side Effects



PCRI Literature Review 2005
¹ Journal of Urology 2003 (Dr Gelet) & WCE Congress 2003 (Dr D Hont)
² Contemporary Urology 2004
³ Journal of Urology July & Nov. 2004, Surgeon 2005 Dec & Journal of Endourology July/August 2005

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HIFU Market

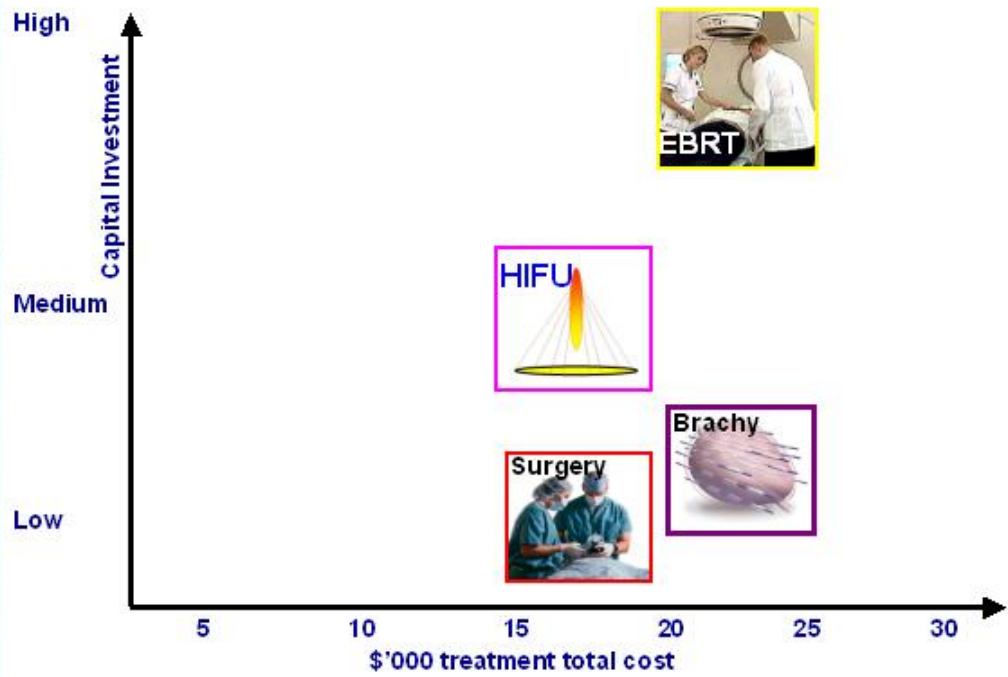
Clinical Benefits: Preservation of Quality of Life

Non-Invasive:	No port, no seeds, no radiation
Effective:	Precise and definitive necrosis of the targeted area
Early Feedback:	Nadir PSA after only 3 months
Quality of Life:	Minimal side effects
Repeatable:	If needed at any time during follow up
Adaptable:	To the physician and the patient's therapeutic goals
No Therapeutic Impasse:	Alternative options still open post Ablatherm



HIFU Market

Less Expensive than Radiation Therapies





HIFU Market

2006 Market opportunities

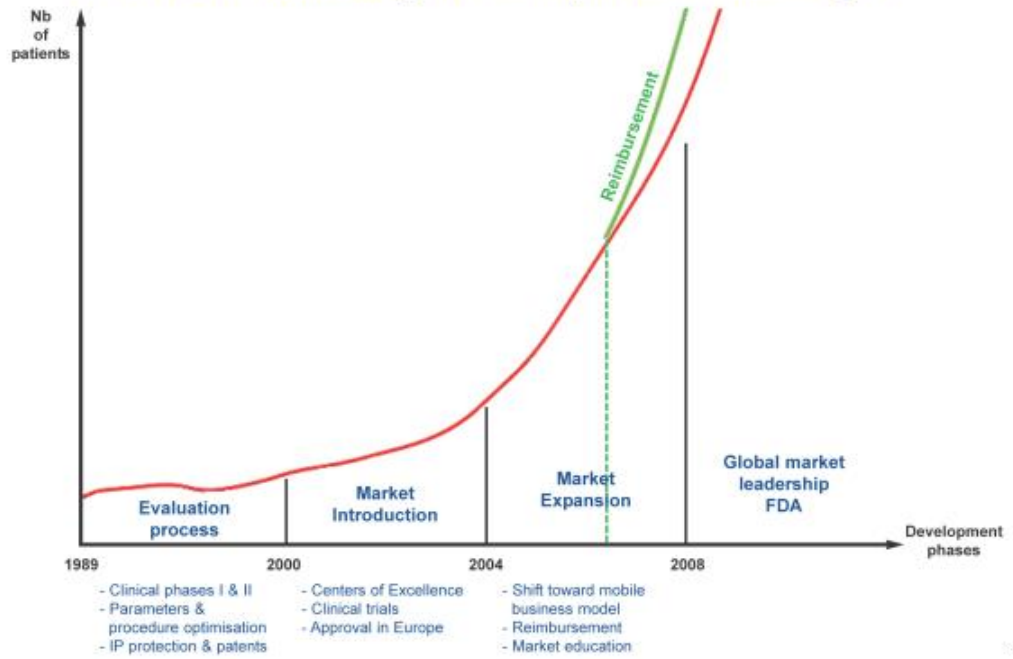
- Grow 2005 new markets: Canada, UK, Australia & Switzerland
- Starting US clinical trials through relationship with HTRN
- Priming the pump through cost-per-procedure (CPP) & mobile model
- Approval and reimbursement in key markets:
 - national reimbursement process varies by country
 - dynamics of approval in the US
- Huge potential through market education
- Strengthen clinical credibility, support of key opinion leaders
- Maintain technological Mastery / Leadership via strong IP
- Expand HIFU to other pathologies



HIFU Market for Prostate Cancer

Growth Strategy Road Map

➤ We have successfully met all major market challenges





HIFU Market



FDA Trials Road Map

- 1- FDA approval obtained to start clinical trials in the US to prove efficacy
- 2- Finalization of contracts with 10 participating clinical institutions, a mix of high profile academic sites and private practices
- 3- Ablatherm devices are being deployed and clinical staff trained to start first cases
- 4- Expect 4 sites up and running by end of February '06, and the majority of sites to be treating patients by end of first quarter '06



HIFU Market

Recent Market Expansion

Australia

- Launched at St Vincent's Clinic, Sydney, on CPP basis in October 2005
- Utilization for retreatment of brachytherapy and radiation failures

United Kingdom

- Unit at Stepping Hill Hospital since April 2004
- Set up Royal Marsden Hospital, London
- October 2005 reimbursement approval by BUPA opened market to further sales
- Launch at Guys Hospital, London
- Launch of Mobile-HIFU, a private UK company
- Additional selling activity in progress through distribution partner Sigmacon



HIFU Market

CPP Business Model = Growth Opportunity

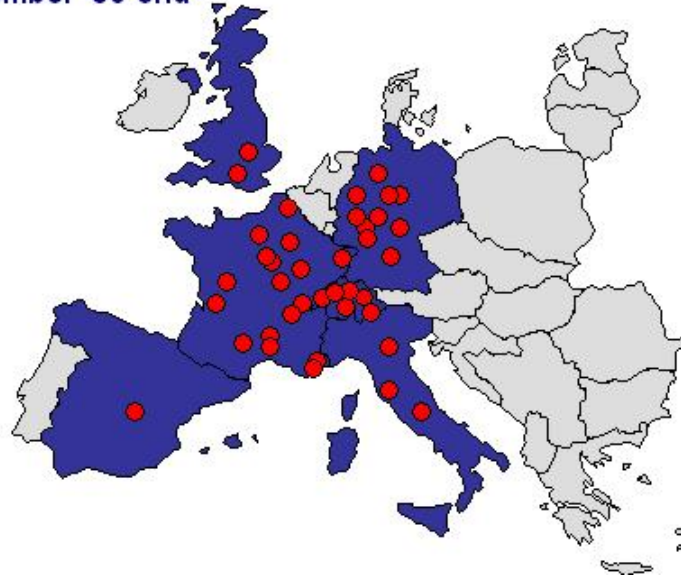
- Cost-per-Procedure (CPP) performed is an easy and profitable way to make this technology available to a larger number of patients as well as hospitals and clinics
- Mobile business facilitates rapid access to Ablatherm HIFU technology
- No upfront investment from the hospital



HIFU Market

Mobile Through Europe

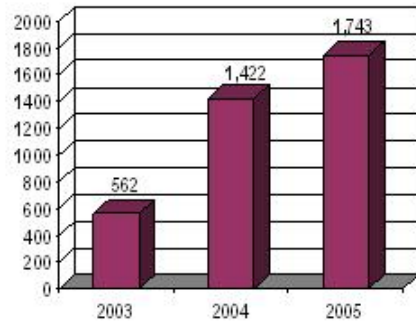
- Deploy mobile units for France, Germany, Austria, Italy, Spain, UK, Belgium and other locations
- 63 sites using Ablatherm-HIFU on a mobile basis at December '05 end



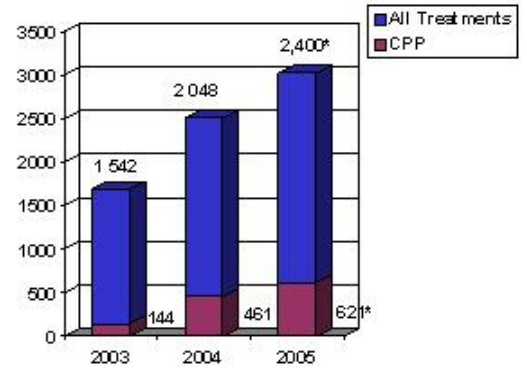


HIFU Market

Momentum: CPP Growth



CPP Revenues in (€ 000s)



Number of Treatments / CPPs

Average 2005 selling CPP price : €2,807

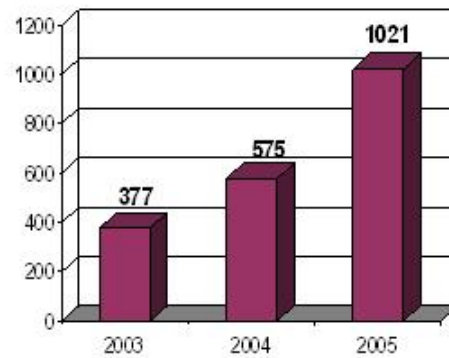
(*) estimated at Dec. end '05



Growth in HIFU Service Business

Recurring and Very Profitable Maintenance Revenues

- Maintenance contracts include supplies, professional services
- Average maintenance contract is 10% of the equipment invoice price
- Average gross margins on maintenance is 68%



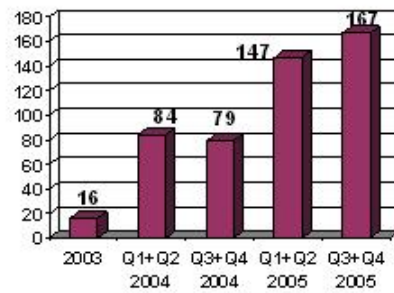
HIFU Service Revenues in (€ 000s)



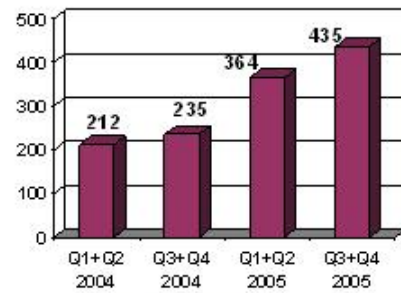
HIFU Market

German Mobile CPP Business Model

- Cumulative estimated 500 treatments completed as of December end 2005
- 21 sites using the Ablatherm on a mobile CPP basis
- Two Ablatherm mobile units
- Revenues related to mobile CPP business



Number of treatments




Mobile revenue growth (in K€)



HIFU Market

Regulatory Approvals

Approvals	&	Reimbursements
<ul style="list-style-type: none">- CE mark in 2000- Canada (2004)- Positive NICE guidance (April 2005)- FDA approval obtained to start clinical trials- Seeking US and Japan marketing approval for Ablatherm-HIFU		<ul style="list-style-type: none">- Reimbursement in Germany & Italy (up to €4,000)- Reimbursement in the UK by BUPA (up to £11,000)- Reimbursement by other UK providers



HIFU Market

Growth Strategy

- Leverage awareness using PR & web support
- Build-up "centers of excellence" to maintain and strengthen our clinical credibility
- Strong relationship with local urology communities and opinion leaders
- Encourage urologists to capture the market from radio-oncologists
- Develop mobile CPP HIFU solutions in selected European countries

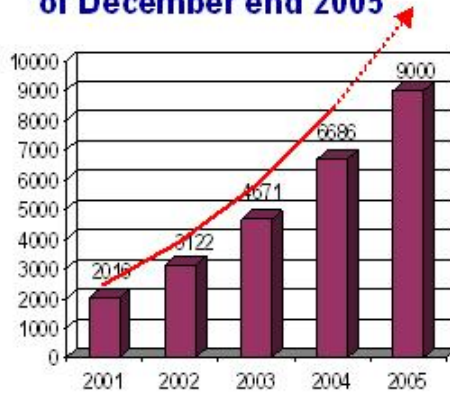




HIFU Market

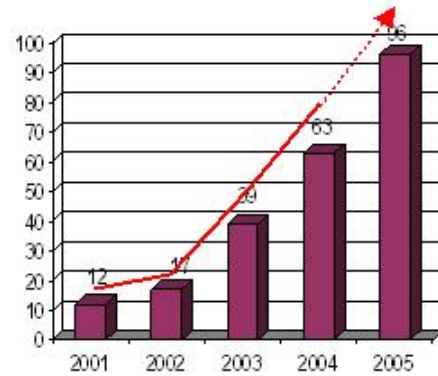
Rapidly Accelerating Market Acceptance

- **9,000 estimated cumulative treatments as of December end 2005**



Cumulative number of treatments
45% CAGR

- **Currently 96 sites delivering treatment:**



Cumulative sites using Ablatherm
68% CAGR



Focus on Lithotripsy





Lithotripsy Leadership

- **Satisfied installed base of more than 400 lithotripters worldwide**
- **A Leader in Asia, including Japan, and Europe due to customer proximity and provided services**
- **IP Protection: 17 Lithotripsy Patents**
- **Mature market with pressure on prices and margins;**
- **Highly skilled staff, very low turnover**



Lithotripsy Market

LITHOTRIPSY: Worldwide Market Scope

- **Market Drivers:**
 - ▶ Service Capacity, Credibility & Proximity
 - ▶ Technology
 - ▶ Global reach

- **Current Worldwide Installed Base > 3,000 Units**
Replacement Market > 300 Units / Year
@ average \$250,000 (= \$75M / Year)

- **Service & Consumables Predictable Revenue**
@ 8-10% of Equipment sold per year
 - ▶ Predictable, high-margin revenue

- **Sales & Service Experience opens market to the Ablation-HIFU model**

Company's estimates

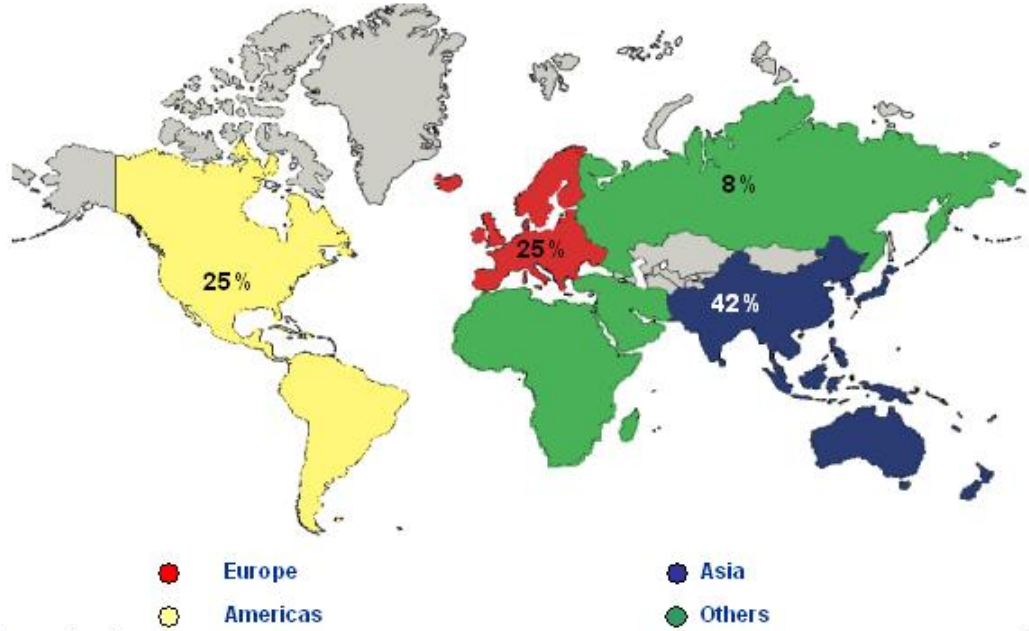
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Lithotripsy Market

Geographical Distribution of Global Lithotripsy Market



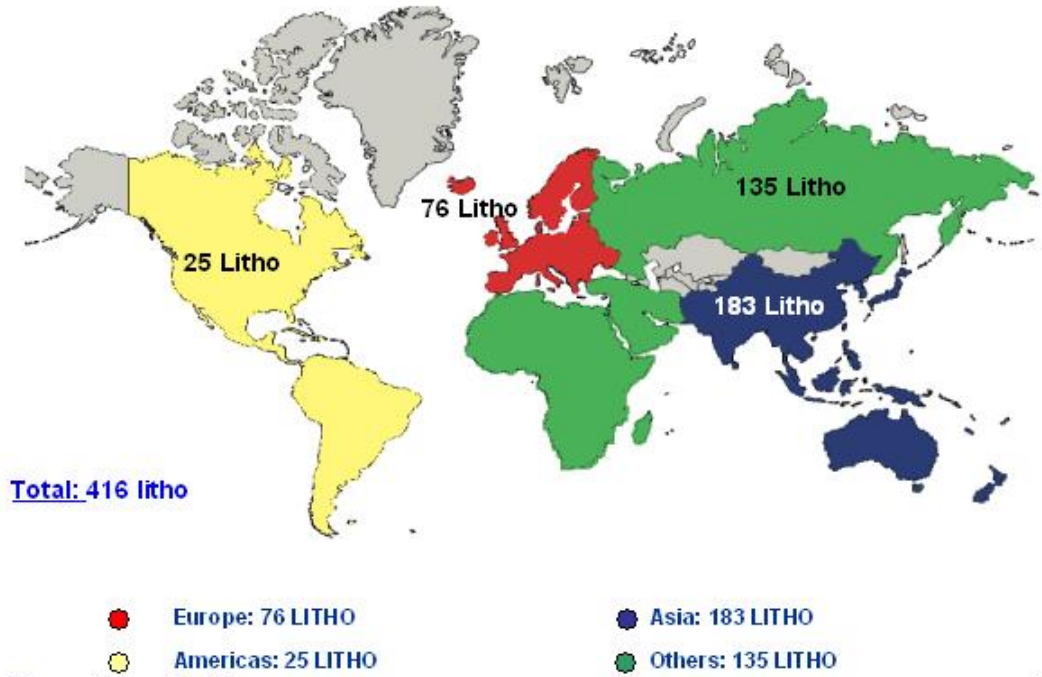
Company's estimates



Lithotripsy Leadership



EDAP TMS's Large Installed Base*



Total: 416 litho

* Company's figures at Dec. '05

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Lithotripsy Strategy

LITHOTRIPSY: Provides Momentum for Overall Business

- **Improved products & marketing**
- **Create key differentiators through services**
- **Strong Project Sales Approach vs. Equipment Sales:**
 - ▶ **Equipment**
 - ▶ **Maintenance (on site, online, preventive, corrective maintenance services)**
 - ▶ **Training programs**
 - ▶ **Financing solutions**
- **New products in the pipe**
- **Contract Manufacturing**



Financials



EDAP TMS Financials



- **Profit capable at both operating division levels**
- **Well capitalized for additional investments in growth of new and current markets**
- **Focus on cost controls, prudent investment of capital**
- **Strong, improving margins throughout 2005: 41% Company Gross Margin as of Sept.'05**
- **Leverage in model for increased treatment volumes: Increased service revenues and incremental leverage to revenue growth**



Division Performance



EDAP – HIFU Division: Euro 000s*

First Nine Months	Revenue	Gross Margin	Operating Income (Loss)
2005	5,033	50%	(333)
2004	5,064	45%	164

TMS – UDS (Lithotripsy) Division: Euro 000s*

First Nine Months	Revenue	Gross Margin	Operating Income (Loss)
2005	11,686	30%	209
2004	13,214	31%	164

* EDAP markets and sells Ablatherm®; TMS does all manufacturing and markets and sells Lithotripters;
See the 20F for a complete description.



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Strong Balance Sheet



All figures in 000s	Sept. 30, 2005 Euros	June 30, 2005 Euros	Sept. 30, 2005 \$US	June 30, 2005 \$US
Balance Sheet and Liquidity				
Cash and Cash Equivalents	7,463	8,222	8,999	9,947
Total Current Assets	22,014	23,254	26,545	28,133
Total Current Liabilities	9,786	10,089	11,800	12,205
Shareholders' Equity	16,953	17,543	20,442	21,224

Translated for convenience of the reader to U.S. dollars at the noon buying rate of 1 Euro = 1.2058 USD, on September 30, 2005 and at the noon buying rate of 1 Euro = 1.2098 USD, on June 30, 2005.



Income Statement

For the 12 Months Ending All figures in 000s	Dec. 31, 2004 Euros	Dec. 31, 2003 Euros	Dec. 31, 2004 \$US	Dec. 31, 2003 \$US
Total Revenues	22,163	18,473	27,654	21,079
Cost of Sales	<u>(13,676)</u>	<u>(13,094)</u>	<u>(17,065)</u>	<u>(14,942)</u>
Gross Profit	8,487	5,379	10,589	6,137
Interest, Currency, Taxes, Other	(319)	(855)	(398)	(976)
Total Operating Expenses	<u>(9,317)</u>	<u>(13,500)</u>	<u>(11,624)</u>	<u>(15,404)</u>
Net Income (Loss)	(1,149)	(8,976)	(1,433)	(10,243)
Basic EPS	(0.15)	(1.15)	(0.18)	(1.32)

2004 average Euro/\$US Exchange rate of 1 Euro = 1.2478 \$US
2003 average Euro/\$US Exchange rate of 1 Euro = 1.1411 \$US
EPS based on 7,782,000 average basic shares outstanding all periods



Income Statement

For the 9 Months Ending	Sept. 30	Sept. 30	Sept. 30	Sept. 30
All figures in 000 s	2005	2004	2005	2004
	Euros	Euros	\$US	\$US
Total Revenues	14,603	16,511	18,355	20,215
Cost of Sales	<u>(8,688)</u>	<u>(10,158)</u>	<u>(10,920)</u>	<u>(12,437)</u>
Gross Profit	5,915	6,353	7,435	7,778
Interest, Currency, Taxes, Other	259	50	325	61
Total Operating Expenses	<u>(7,285)</u>	<u>(7,181)</u>	<u>(9,156)</u>	<u>(8,792)</u>
Net Income (Loss)	(1,111)	(778)	(1,396)	(953)
Basic EPS	(0.14)	(0.10)	(0.18)	(0.12)

2005 average nine months Euro/\$US Exchange rate of 1 Euro = 1.2569 \$US
2004 average nine months Euro/\$US Exchange rate of 1 Euro = 1.2243 \$US
EPS based on 7,781,731 average basic shares outstanding all periods



Investor Highlights



Focus on continued growth and expansion

- **Well positioned as the global leader in HIFU installations, treatment technology and clinical data**
- **Compelling clinical benefits, growing market awareness breeding demand**
- **Established successful model to enter and grow new key markets in Europe, Canada and the U.S.**
- **Continued focus on reimbursement, market entry, site growth and treatment acceleration**
- **Continued focus on revenues, costs and growth leading to profitability**



Investor Highlights



Committed Management

- **Management focus on increasing company valuation**
- **Driving HIFU approval and reimbursement in all key markets with a focus on total number of treatments**
- **Strengthening our marketing team to drive an international marketing campaign to educate doctors, patients and reimbursement providers**

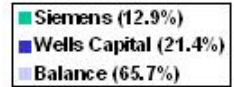


Shareholders / Stock Performance



7,781,731 Outstanding shares*:

- 6,715,873 ADRs (floating)
- 1,065,858 Ordinary shares (non-floating)



Strong Stock Performance late 2005, reflecting HIFU potential high growth and increasing interest.

Market Cap: \$51.7 million
TTM Revenues: \$26 million
Cash: \$9.7 million
Avg. Vol.: 28,000 shares
USD as of 1/13/06



* As of Dec. 31, 2005

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Thank you



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IR information available online
www.edap-tms.com

EDAP TMS Investor Summary
The world leader in HIFU for localized prostate cancer

Hugues de Bantel: Chief Executive Officer
Philippe Chauveau: Chairman of the Board
January 2006

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EDAP also develops and commercializes medical equipment for treatment of urinary tract stones using Extra-corporeal Shockwave Lithotripsy (ESWL), an established treatment choice.

**EDAP is Addressing Two Major Pathologies in Urology:
Prostate Cancer & Urinary Stones**

HIFU

A new advance in the treatment of prostate cancer 50% gross margin*

- **Approved in Europe, Canada, Russia, Australia, South East Asia**
- **Start of US clinical trials approved by FDA**
- **High growth market**
- **New market, reimbursement opportunities**
- **Site and per-use options**
- **Make-it-happen model**

LITHOTRIPSY

A mature treatment for basic urological tract stones 30% gross margin*

- **Provides momentum for overall business**
- **Driven by replacement**
- **Gaining market share**
- **Predictable margins and cycles**
- **Worldwide network to build on**
- **Bringing new products to the pipe**

*as of September 05

- **2004 operational turnaround demonstrated cash-positive capabilities in both divisions**
- **In 2005, market expansion was driven by the following strategy:**
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 - **Launched Ablatherm[®]-HIFU in new countries**
 - **Secured reimbursements in key countries, including UK**
- **Strengthened gross margins: 41%+ as of Sept. '05**
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- **Used cash to fund marketing campaigns to patients and doctors in key countries, expand to new markets**
- **Ready for FDA trials sponsored by HealthTronics (HTRN) starting early 2006**

**The Market Potential for Minimally Invasive Prostate Cancer
Treatment Represents EDAP's High Growth Opportunity**

[GRAPHIC APPEARS HERE]

EDAP is committed to:

- **Offer patients the best combination Safety and Efficacy**
- **Full enlightenment of patients about existing treatment options**
- **Preserve patient quality of life**

Ablatherm-HIFU is The Solution for growing sensitivity and awareness from prostate cancer patients about:

- **Their safety**
- **Their health**
- **Their family life**
- **Their sexual drive**
- **Their future**

[GRAPHIC APPEARS HERE]

**The New Integrated Imaging Ablatherm:
The Most Advanced HIFU Technology with the New Dual Function Probe**

[GRAPHIC APPEARS HERE]

Imaging & Treating Simultaneously

Imaging

From a transversal real-time image, the 7.5 MHz electronic ultrasound transducer can provide an accurate 3D reconstruction of the treatment area

[GRAPHIC APPEARS HERE]

Firing

High-energy ultrasound waves are focused through the rectal wall to the targeted prostate area without damaging surrounding tissues

[GRAPHIC APPEARS HERE]

Imaging and treating

The firing process is visible in real time on the echographic display

[GRAPHIC APPEARS HERE]

Robotized probe placement

5 axis computer controlled movements, a very sophisticated device with fully robotized motion control for precise probe positioning

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Market Driving EDAP Forward

- **Prostate Cancer: 2nd most common cancer in American and European males:**
 - 231,000 new cases per year in the USA*
 - 238,000 new cases per year in Europe**
- **Dramatic increase in worldwide public awareness:**
 - Increased sensitivity toward Quality of Life
 - Systematic PSA screening
 - Huge awareness campaigns
- **Significant increase in Prostate Cancer cases:**
 - Increase in life expectancy
 - Aging baby boomers
- **Growing awareness & concern related to significant side effects with traditional treatments**

* (Sources 2004 American Cancer Society)

** (Sources: 2004, International Agency for Research on Prostate Cancer)

The current market scope for Ablatherm-HIFU is 70% of all prostate cancer cases

[CHART APPEARS HERE]

Today, less than 1% of these patients are treated with Ablatherm-HIFU!

Currently Available Therapies for Localized Prostate Cancer

- **Current alternatives to HIFU:**
 - Surgery
 - Radiation
 - Watchful Waiting
 - Cryosurgery

Europe*

[CHART APPEARS HERE]

Current Alternatives

USA*

[CHART APPEARS HERE]

Current Alternatives

- **Large number of treatments today performed by specialists other than urologists**

*Corporate estimates

The Best Solution Available Today:

- Optimal efficacy

- Preserving quality of life

[CHART APPEARS HERE]

Our Proven Efficacy*

[CHART APPEARS HERE]

* *C. Chaussy, S. Thüroff, G. Vallancien, W. Wieland, H.J. Kiel, A. Le Duc, F. Desgranchamps, J. de la Rosette, A. Gelet: High Intensity Focused Ultrasound and Localized Prostate Cancer: Efficacy Results of the European Multicentric Study, The Journal Of Urology, October 2003*

Confirmed at Five Years**

[CHART APPEARS HERE]

Disease free progression at 5 years comparable to established treatment modalities

** *Blana & al. Urology, 2004*

Preservation of Quality of Life : Lowest Side Effects

Incontinence

[CHART APPEARS HERE]

Fistula

[CHART APPEARS HERE]

Impotence

[CHART APPEARS HERE]

PCRI Litterature Review 2005

¹ *Journal of Urology* 2003 (Dr Gelet) & WCE Congress 2003 (Dr D'Hont)

² *Contemporary Urology* 2004

³ *Journal of Urology* July & Nov. 2004, *Surgeon* 2005 Dec & *Journal of Endourology* July/August 2005

Clinical Benefits: Preservation of Quality of Life

Non-Invasive:	No port, no seeds, no radiation
Effective:	Precise and definitive necrosis of the targeted area
Early Feedback:	Nadir PSA after only 3 months
Quality of Life:	Minimal side effects
Repeatable:	If needed at any time during follow up
Adaptable:	To the physician and the patient's therapeutic goals
No Therapeutic Impasse:	Alternative options still open post Ablatherm

Less Expensive than Radiation Therapies

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2006 Market opportunities

- **Grow 2005 new markets: Canada, UK, Australia & Switzerland**
- **Starting US clinical trials through relationship with HTRN**
- **Priming the pump through cost-per-procedure (CPP) & mobile model**
- **Approval and reimbursement in key markets:**
 - **national reimbursement process varies by country**
 - **dynamics of approval in the US**
- **Huge potential through market education**
- **Strengthen clinical credibility, support of key opinion leaders**
- **Maintain technological Mastery / Leadership via strong IP**
- **Expand HIFU to other pathologies**

Growth Strategy Road Map

- We have successfully met all major market challenges

[CHART APPEARS HERE]

FDA Trials Road Map

- 1- FDA approval obtained to start clinical trials in the US to prove efficacy
- 2- Finalization of contracts with 10 participating clinical institutions, a mix of high profile academic sites and private practices
- 3- Ablatherm devices are being deployed and clinical staff trained to start first cases
- 4- Expect 4 sites up and running by end of February '06, and the majority of sites to be treating patients by end of first quarter '06

Recent Market Expansion

Australia

- **Launched at St Vincent's Clinic, Sydney, on CPP basis in October 2005**
- **Utilization for retreatment of brachytherapy and radiation failures**

United Kingdom

- **Unit at Stepping Hill Hospital since April 2004**
- **Set up Royal Marsden Hospital, London**
- **October 2005 reimbursement approval by BUPA opened market to further sales**
- **Launch at Guys Hospital, London**
- **Launch of Mobile-HIFU, a private UK company**
- **Additional selling activity in progress through distribution partner Sigmacon**

CPP Business Model = Growth Opportunity

- Cost-per-Procedure (CPP) performed is an easy and profitable way to make this technology available to a larger number of patients as well as hospitals and clinics
- Mobile business facilitates rapid access to Ablatherm HIFU technology
- No upfront investment from the hospital

Mobile Through Europe

- Deploy mobile units for France, Germany, Austria, Italy, Spain, UK, Belgium and other locations
- 63 sites using Ablatherm-HIFU on a mobile basis at December '05 end

[GRAPHIC APPEARS HERE]

Momentum: CPP Growth

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CPP Revenues in (€ 000s)

[CHART APPEARS HERE]

Number of Treatments / CPPs

Average 2005 selling CPP price : €2,807

(*) estimated at Dec. end ' 05

Recurring and Very Profitable Maintenance Revenues

- **Maintenance contracts include supplies, professional services**
- **Average maintenance contract is 10% of the equipment invoice price**
- **Average gross margins on maintenance is 68%**

[CHART APPEARS HERE]

HIFU Service Revenues in (€ 000s)

German Mobile CPP Business Model

- **Cumulative estimated 500 treatments completed as of December end 2005**
- **21 sites using the Ablatherm on a mobile CPP basis**
- **Two Ablatherm mobile units**
- **Revenues related to mobile CPP business**


[CHART APPEARS HERE]

Number of treatments

[CHART APPEARS HERE]

Mobile revenue growth (in K€)

Regulatory Approvals

Approvals	&	Reimbursements
– CE mark in 2000		– Reimbursement in Germany & Italy (up to €4,000)
– Canada (2004)		– Reimbursement in the UK by BUPA (up to £11,000)
– Positive NICE guidance (April 2005)		– Reimbursement by other UK providers
– FDA approval obtained to start clinical trials		
– Seeking US and Japan marketing approval for Ablatherm-HIFU		

Growth Strategy

- **Leverage awareness using PR & web support**
- **Build-up “centers of excellence” to maintain and strengthen our clinical credibility**
- **Strong relationship with local urology communities and opinion leaders**
- **Encourage urologists to capture the market from radio-oncologists**
- **Develop mobile CPP HIFU solutions in selected European countries**

[GRAPHICS APPEAR HERE]

Rapidly Accelerating Market Acceptance

- **9,000 estimated cumulative treatments as of December end 2005**

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Cumulative number of treatments
45% CAGR

- **Currently 96 sites delivering treatment:**

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Cumulative sites using Ablatherm
68% CAGR

[GRAPHIC APPEARS HERE]

- **Satisfied installed base of more than 400 lithotripters worldwide**
- **A Leader in Asia, including Japan, and Europe due to customer proximity and provided services**
- **IP Protection: 17 Lithotripsy Patents**
- **Mature market with pressure on prices and margins;**
- **Highly skilled staff, very low turnover**

LITHOTRIPSY: Worldwide Market Scope

- **Market Drivers:**
 - Service Capacity, Credibility & Proximity
 - Technology
 - Global reach
- **Current Worldwide Installed Base > 3,000 Units Replacement Market > 300 Units / Year @ average \$250,000 (= \$75M / Year)**
- **Service & Consumables Predictable Revenue @ 8-10% of Equipment sold per year**
 - Predictable, high-margin revenue
- **Sales & Service Experience opens market to the Ablatherm-HIFU model**

Company 's estimates

Geographical Distribution of Global Lithotripsy Market

[GRAPHIC APPEARS HERE]

Company 's estimates

EDAP TMS's Large Installed Base*

[GRAPHIC APPEARS HERE]

* Company's figures at Dec. '05

LITHOTRIPSY: Provides Momentum for Overall Business

- **Improved products & marketing**
- **Create key differentiators through services**
- **Strong Project Sales Approach vs. Equipment Sales:**
 - **Equipment**
 - **Maintenance (on site, online, preventive, corrective maintenance services)**
 - **Training programs**
 - **Financing solutions**
- **New products in the pipe**
- **Contract Manufacturing**

Financials

- **Profit capable at both operating division levels**
- **Well capitalized for additional investments in growth of new and current markets**
- **Focus on cost controls, prudent investment of capital**
- **Strong, improving margins throughout 2005:
41% Company Gross Margin as of Sept.'05**
- **Leverage in model for increased treatment volumes:
Increased service revenues and incremental leverage to revenue growth**

EDAP – HIFU Division: Euro 000s*

First Nine Months	Revenue	Gross Margin	Operating Income (Loss)
2005	5,033	50%	(333)
2004	5,064	45%	164

TMS – UDS (Lithotripsy) Division: Euro 000s*

First Nine Months	Revenue	Gross Margin	Operating Income (Loss)
2005	11,686	30%	209
2004	13,214	31%	164

* EDAP markets and sells Ablatherm®; TMS does all manufacturing and markets and sells Lithotripters; See the 20F for a complete description

All figures in 000s	Sept. 30, 2005 Euros	June 30, 2005 Euros	Sept. 30, 2005 \$US	June 30, 2005 \$US
Balance Sheet and Liquidity				
Cash and Cash Equivalents	7,463	8,222	8,999	9,947
Total Current Assets	22,014	23,254	26,545	28,133
Total Current Liabilities	9,786	10,089	11,800	12,205
Shareholders' Equity	16,953	17,543	20,442	21,224

Translated for convenience of the reader to U.S. dollars at the noon buying rate of 1 Euro = 1.2058 USD, on September 30, 2005 and at the noon buying rate of 1 Euro = 1.2098 USD, on June 30, 2005.

For the 12 Months Ending All figures in 000s	Dec. 31, 2004 Euros	Dec. 31, 2003 Euros	Dec. 31, 2004 \$US	Dec. 31, 2003 \$US
Total Revenues	22,163	18,473	27,654	21,079
Cost of Sales	(13,676)	(13,094)	(17,065)	(14,942)
Gross Profit	8,487	5,379	10,589	6,137
Interest, Currency, Taxes, Other	(319)	(855)	(398)	(976)
Total Operating Expenses	(9,317)	(13,500)	(11,624)	(15,404)
Net Income (Loss)	(1,149)	(8,976)	(1,433)	(10,243)
Basic EPS	(0.15)	(1.15)	(0.18)	(1.32)

2004 average Euro/\$US Exchange rate of 1 Euro = 1.2478 \$US

2003 average Euro/\$US Exchange rate of 1 Euro = 1.1411 \$US

EPS based on 7,782,000 average basic shares outstanding all periods

For the 9 Months Ending All figures in 000s	Sept. 30 2005 Euros	Sept. 30 2004 Euros	Sept. 30 2005 \$US	Sept. 30 2004 \$US
Total Revenues	14,603	16,511	18,355	20,215
Cost of Sales	(8,688)	(10,158)	(10,920)	(12,437)
Gross Profit	5,915	6,353	7,435	7,778
Interest, Currency, Taxes, Other	259	50	325	61
Total Operating Expenses	(7,285)	(7,181)	(9,156)	(8,792)
Net Income (Loss)	(1,111)	(778)	(1,396)	(953)
Basic EPS	(0.14)	(0.10)	(0.18)	(0.12)

2005 average nine months Euro/\$US Exchange rate of 1 Euro = 1.2569 \$US

2004 average nine months Euro/\$US Exchange rate of 1 Euro = 1.2243 \$US

EPS based on 7,781,731 average basic shares outstanding all periods

Focus on continued growth and expansion

- **Well positioned as the global leader in HIFU installations, treatment technology and clinical data**
- **Compelling clinical benefits, growing market awareness breeding demand**
- **Established successful model to enter and grow new key markets in Europe, Canada and the U.S.**
- **Continued focus on reimbursement, market entry, site growth and treatment acceleration**
- **Continued focus on revenues, costs and growth leading to profitability**

Committed Management

- **Management focus on increasing company valuation**
- **Driving HIFU approval and reimbursement in all key markets with a focus on total number of treatments**
- **Strengthening our marketing team to drive an international marketing campaign to educate doctors, patients and reimbursement providers**

7,781,731 Outstanding shares*:

- 6,715,873 ADRs (floating)
- 1,065,858 Ordinary shares (non-floating)

Strong Stock Performance late 2005, reflecting HIFU potential high growth and increasing interest.

Market Cap: \$51.7 million

TTM Revenues: \$26 million

Cash: \$9.7 million

Avg. Vol.: 28,000 shares

USD as of 1/13/06

[CHARTS APPEAR HERE]

* At Dec. 31, 2005

Thank you

[LOGO OF EDAP TMS]

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