



May 16, 2012

EDAP Reports First Quarter 2012 Financial Results

EDAP Realigns Strategy to Focus on the U.S.

Highlights

- EDAP CEO to be U.S. based effective immediately
- State-of-the art lithotripter Sonolith i-move demonstrating early success in the U.S.
- Strong cash position despite seasonally low first quarter sales

LYON, France, May 16, 2012 (GLOBE NEWSWIRE) -- EDAP TMS SA (Nasdaq:EDAP), the global leader in therapeutic ultrasound, announced today financial results for the first quarter ended March 31, 2012.

Philippe Chauveau, EDAP's Chairman of the Board of Directors, said, "The Board has unanimously decided upon a major shift in EDAP's strategy and recommended, with immediate effect, that EDAP focus its efforts on the U.S. market where opportunities and priorities have been identified. This focus will involve immediate relocation to the U.S. of EDAP's CEO Marc Oczachowski."

Marc Oczachowski, EDAP's Chief Executive Officer, commented, "I fully endorse the Board of Directors' vision to focus our efforts on U.S. opportunities and priorities. I am fully committed to making this happen in the U.S., while relying on the existing solid management team in the rest of the world."

Marc Oczachowski, further remarked, "With respect to our earnings this quarter, and in line with typical historical seasonality, our first quarter sales activity was fairly flat year-over-year, with five lithotripsy devices and one Ablatherm-HIFU device sold. As you know, EDAP had a very robust fourth quarter with the sale of sixteen lithotripsy devices and one Ablatherm-HIFU device. We are continuing to replenish our pipeline of leads and projects. At this time, we have a sales backlog of eleven lithotripsy devices."

Mr. Oczachowski stated, "Selling three Sonolith i-move devices in the United States in the last five months is a significant accomplishment. The quality and the size of the three groups of urologists that have elected the innovative Sonolith i-move as their newest device is clear recognition and proof that our state-of-the-art lithotripter is positioned to take significant market share in the U.S. We are continuing to conduct demonstrations at prestigious urology groups across the country, and are gaining traction with increased interest in and demand for the technological advantages afforded by our next generation lithotripter. We look forward to showcasing our Sonolith i-move at the AUA Annual Meeting starting this weekend."

Recent Developments

In March 2012, EDAP sold its third Sonolith i-move lithotripter in the U.S. to Allied Metro, a New York tri-state area partnership with more than 300 urologists. The installation followed a demonstration trial last year, during which Allied Metro's staff was impressed with the Sonolith i-move's performance. Following installation, the Sonolith i-move continues to receive excellent reviews from the physicians and technologists at this established urology practice.

Also in first quarter 2012, EDAP installed its Ablatherm-HIFU device at the HIFU Clinic in Warsaw, Poland. Since installation, nine Ablatherm-HIFU treatments have been performed in Poland. The installation in Warsaw broadens EDAP's footprint in Europe and continues the Ablatherm-HIFU expansion across major international markets.

In January 2012, EDAP conducted an exchange offering to restructure its convertible debt. Under the terms of the exchange, EDAP repaid \$0.5 million of the \$10.5 million convertible debentures and exchanged the remaining \$10.0 million convertible debentures and related warrants for new warrants and new non-convertible notes with extended maturity to June 2014.

Then in March 2012, EDAP continued the strengthening of its financial profile by closing a registered direct placement of \$5.625 million ordinary shares and warrants. Approximately 60% of the proceeds will be used to finance the Company's marketing efforts, including the repositioning of its Ablatherm-HIFU for focal and salvage therapy and strengthening of its marketing and sales program in the U.S. for the Sonolith i-move lithotripter device. The remaining 40% of the net proceeds from the offering were utilized to reduce debt by \$2.0 million.

First Quarter 2012 Results

Total revenue for the first quarter 2012 was EUR 4.8 million (USD 6.8 million), as compared to EUR 4.8 million (USD 6.7 million) for the first quarter 2011.

Total revenue for the HIFU division was EUR 1.3 million (USD 1.9 million) for the first quarter 2012, compared to 1.3 million (USD 1.8 million) for the same period last year. Results for the first quarter 2012 reflected the sale of one Ablatherm-HIFU device installed in Poland.

Total revenue for the lithotripsy division was EUR 3.5 million (USD 4.9 million) for the three months ended March 31, 2011, compared to EUR 3.5 million (USD 4.9 million) for the year ago period. During the first quarter 2012, the Company recorded sales of five lithotripsy machines, comprised of three Sonolith i-move devices and two Sonolith i-sys devices, compared to a total of seven devices sold in the first quarter of 2011.

Gross profit for the first quarter 2012 was EUR 1.9 million (USD 2.7 million), compared to EUR 2.0 million (USD 2.7 million) for the year ago period. Gross profit margin was 39.3% in the first quarter 2012, compared to 40.7% in the year ago period. The change in the gross profit margin was attributed to the evolution in product mix and service costs.

Operating expenses were EUR 2.9 million (USD 4.1 million) for the first quarter 2012, up 10.0% from EUR 2.6 million (USD 3.7 million) for the same period 2011. Operating loss was EUR 1.0 million (USD 1.4 million) for the first quarter 2012, compared to EUR 670,000 (USD 932,000) in the first quarter of 2011.

Net loss for the first quarter 2012 was EUR 2.9 million (USD 4.1 million), or EUR 0.16 per diluted share, as compared to net income of EUR 213,000 (USD 295,000), or EUR 0.02 per diluted share, in the first quarter of 2011. The first quarter 2012 net loss included a non-cash interest expense which is currently estimated at EUR 1.5 million (USD 2.1 million) to reflect the accounting fair value impact of the January 2012 exchange offering on its convertible debentures and related warrants. Excluding this estimated non-cash interest expense, the net loss for the first quarter 2011 was EUR 1.4 million (USD 1.9 million), or EUR 0.07 per diluted share.

At March 31, 2012, cash and cash equivalents, including short-term treasury investments, were EUR 10.7 million (USD 14.3 million).

Conference Call

EDAP will hold a conference call on Wednesday, May 16, 2012 at 8:30 a.m. EDT to discuss the results. The dial-in numbers are (877) 317-6789 for domestic callers and (412) 317-6789 for international. The conference ID number for both is 10013579. A live Webcast of the conference call will be available online from the investor relations page of the Company's corporate Website at www.edap-tms.com.

After the live Webcast, the call will remain available on EDAP's Website, www.edap-tms.com, through June 16, 2012. In addition, a telephonic replay of the call will be available until May 31, 2012. The replay dial-in numbers are 877-344-7529 for domestic callers and 412-317-0088 for international callers. Please use event passcode 10013579.

About EDAP TMS SA

EDAP TMS SA develops and markets Ablatherm(R), the most advanced and clinically proven choice for high-intensity focused ultrasound (HIFU) treatment of localized prostate cancer. HIFU treatment is shown to be a minimally invasive and effective treatment option with a low occurrence of side effects. Ablatherm-HIFU is generally recommended for patients with localized prostate cancer (stages T1-T2) who are not candidates for surgery or who prefer an alternative option, or for patients who failed radiotherapy treatment. Approved in Europe as a treatment for prostate cancer, Ablatherm-HIFU (High Intensity Focused Ultrasound) is currently undergoing evaluation in a multi-center U.S. Phase II/III clinical trial under an Investigational Device Exemption (IDE) granted by the FDA, the ENLIGHT U.S. clinical study. The Company also is developing this technology for the potential treatment of certain other types of tumors. EDAP TMS SA also produces and commercializes medical equipment (the Sonolith(R) range) for treatment of urinary tract stones using extra-corporeal shockwave lithotripsy (ESWL). For more information on the Company, please visit <http://www.edap-tms.com>, and <http://www.hifu-planet.com>.

Forward-Looking Statements

In addition to historical information, this press release may contain forward-looking statements that involve risks and uncertainties. Such statements are based on management's current expectations and are subject to a number of uncertainties, including the uncertainties of the regulatory process, and risks that could cause actual results to differ materially from those described in these 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 and in particular, in the sections "Cautionary Statement on Forward-Looking Information" and "Risk Factors" in the Company's Annual Report on Form 20-F. Ablatherm-HIFU treatment is in clinical trials, but not FDA-approved or marketed in the United States.

EDAP TMS S.A.

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

(Amounts in thousands of Euros and U.S. Dollars, except per share data)

	Three Months Ended :		Three Months Ended :	
	March 31, 2012	March 31, 2011	March 31, 2012	March 31, 2011
	Euros	Euros	\$US	\$US
Sales of goods	2,465	2,424	3,451	3,368
Net Sales of RPP and Leases	1,113	1,192	1,558	1,656
Sales of spare parts and Services	1,260	1,222	1,764	1,698
TOTAL NET SALES	4,838	4,837	6,773	6,722
Other revenues	(0)	22	(0)	31
TOTAL REVENUES	4,837	4,860	6,773	6,753
Cost of goods	(1,375)	(1,453)	(1,925)	(2,019)
Cost of RPP and Leases	(635)	(634)	(889)	(880)
Cost of spare parts & services	(925)	(797)	(1,295)	(1,108)
Cost of sales	(2,935)	(2,884)	(4,109)	(4,007)
GROSS PROFIT	1,902	1,976	2,664	2,746
Research & development expenses	(708)	(536)	(992)	(745)
Marketing & Sales expenses	(1,422)	(1,340)	(1,992)	(1,862)
G & A expenses	(778)	(770)	(1,089)	(1,070)
Total operating expenses	(2,909)	(2,646)	(4,072)	(3,678)
OPERATING PROFIT (LOSS)	(1,006)	(670)	(1,409)	(932)
Interest (expense) income, net	(1,556)	1,367	(2,178)	1,900
Currency exchange gains (loss), net	(268)	(440)	(376)	(611)
Other income (loss), net	7	2	9	3
INCOME (LOSS) BEFORE TAXES AND MINORITY INTEREST	(2,823)	259	(3,953)	361
Income tax (expense) credit	(74)	(47)	(103)	(65)
NET INCOME (LOSS)	(2,897)	213	(4,056)	295
Earning per share — Basic	(0.16)	0.02	(0.22)	0.02
Average number of shares used in computation of EPS	18,257,273	13,081,778	18,257,273	13,081,778
Earning per share — Diluted	(0.16)	0.02	(0.22)	0.02
Average number of shares used in computation of EPS for positive net income	18,283,909	13,350,304	18,283,909	13,350,304

NOTE: Translated for convenience of the reader to U.S. dollars at the 2012 average three months noon buying rate of 1 Euro = 1.4002 USD, and 2011 average three months noon buying rate of 1 Euro = 1.3897 USD.

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

	Mar. 31, 2012	Dec. 31, 2011	Mar. 31, 2012	Dec. 31, 2011
	Euros	Euros	\$US	\$US
Cash, cash equivalents and short term investments	10,714	6,472	14,311	8,396
Total current assets	26,754	26,740	35,734	34,691
Total current liabilities	13,744	20,694	18,357	26,848
Shareholders' Equity	13,618	8,713	18,189	11,303

NOTE: Translated for convenience of the reader to U.S. dollars at the noon buying rate of 1 Euro = 1.3356 USD, on March 31, 2012 and at the noon buying rate of 1 Euro = 1.2974 USD, on December 31, 2011.

EDAP TMS S.A.
CONDENSED STATEMENTS OF OPERATIONS BY DIVISION
THREE MONTHS ENDED MARCH 31, 2012
(Amounts in thousands of Euros)

	HIFU Division	UDS Division	FDA Trials	Corporate	Total After Consolidation
Sales of goods	338	2,127			2,465
Sales of RPPs & Leases	760	352			1,113
Sales of spare parts & services	<u>224</u>	<u>1,036</u>			<u>1,260</u>
TOTAL NET SALES	1,322	3,515			4,838
Other revenues	<u>(0)</u>	<u>0</u>			<u>(0)</u>
TOTAL REVENUES	1,322	3,515			4,837
GROSS PROFIT	641 49%	1,261 36%			1,902 39%
Research & Development	(352)	(232)	(124)		(708)
Total SG&A plus depreciation	<u>(659)</u>	<u>(1,244)</u>	<u>(15)</u>	<u>(282)</u>	<u>(2,200)</u>
OPERATING PROFIT (LOSS)	(371)	(215)	(139)	(282)	(1,006)

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