



EDAP Reports Record Full Year 2009 Financial Results

2009 Full Year Highlights: , Mar 30, 2010 (GlobeNewswire via COMTEX News Network) -- Record revenue for the third consecutive year: EUR 24.9 million (USD 34.7 million), up 7.9% -- Gross margin increased to a five year high 43.0% compared to prior year 39.8% -- Strong cash position of EUR 12.7 million (USD 18.2 million)

LYON, France, March 30, 2010 (GLOBE NEWSWIRE) -- EDAP TMS SA (Nasdaq:EDAP), the global leader in therapeutic ultrasound, announced today financial results for the full year and fourth quarter ended December 31, 2009.

For the full year ended December 31, 2009, total revenue increased 7.9% to EUR 24.9 million (USD 34.7 million), up from EUR 23.1 million (USD 33.9 million) during the year ago period. Total revenue growth for the full year 2009 reflected strong HIFU revenue per procedure (RPP) growth and a more favorable product mix in lithotripsy machine sales. For the fourth quarter 2009, the Company reported total revenue of EUR 8.1 million (USD 11.9 million), its strongest quarter of the year reflecting the healthcare business seasonality.

Total revenue for the HIFU division increased to EUR 9.6 million (USD 13.4 million) for the full year 2009, up 4.7% from EUR 9.2 million (USD 13.5 million) for the same period last year. Strong results were driven by a 24.0% growth in RPP treatments compared to the year ago period. During the full year 2009, the Company sold seven Ablatherm-HIFU machines compared to seven sold in the same prior year period. For the fourth quarter 2009, total revenue for the HIFU division was EUR 3.3 million (USD 4.8 million), representing the strongest quarter of the year, with a total of four Ablatherm-HIFU systems sold.

For the twelve months ended December 31, 2009, total revenue for the lithotripsy division was EUR 15.3 million (USD 21.3 million), an increase of 10.1% from EUR 13.9 million (USD 20.4 million) during the year ago period. Lithotripsy growth was driven by a more favorable product mix of the Company's high-end Sonolith I-Sys device. During full year 2009, the Company sold 38 lithotripsy machines, including 14 Sonolith I-Sys devices, compared to 49 machines, including nine Sonolith I-Sys devices, during the full year 2008. Total revenue for the lithotripsy division was EUR 4.8 million (USD 7.0 million) in the fourth quarter 2009, reflecting the sale of 15 lithotripsy machines, including four high-range Sonolith I-Sys devices.

Gross profit for the full year 2009 increased to EUR 10.7 million (USD 14.9 million), up 17.3% compared to EUR 9.1 million (USD 13.4 million) in the year ago period. Gross profit margin increased to 43.0% for the full year 2009, compared to 39.8% in the prior year. Gross profit in the fourth quarter 2009 increased to EUR 3.7 million (USD 5.4 million), up 11.9% compared to the year ago period. Fourth quarter 2009 gross profit margin also increased to 45.5%, up from 36.7% in the fourth quarter 2008 primarily due to higher HIFU and lithotripsy sales volume and a more favorable product mix of Sonolith I-Sys systems.

Operating expenses were EUR 13.9 million (USD 19.4 million) for the full year 2009, compared to EUR 13.3 million (USD 19.5 million) for the same period 2008. Full year 2009 operating expenses included EUR 2.2 million related to the U.S. FDA trial for Ablatherm-HIFU.

For the full year ended December 31, 2009, operating loss narrowed to EUR 3.2 million (USD 4.5 million) from EUR 4.2 million (USD 6.1 million) during the same period in 2008. Excluding U.S. FDA trial expenses, full year 2009 operating loss was EUR 1.0 million. Operating profit was EUR 0.1 million (USD 0.1 million) for the fourth quarter 2009. The year-over-year decrease in operating loss reflected a more favorable product mix of lithotripsy machine sales and higher HIFU-RPP sales in the full year ended December 31, 2009 compared to the same period last year.

Net loss for the full year 2009 was EUR 7.8 million (USD 10.9 million), or EUR 0.74 per diluted share compared to a net income of EUR 1.6 million (USD 2.3 million), or EUR 0.17 per diluted share in the year ago period. The full year 2009 net loss included a non-cash interest expense of EUR 2.7 million (USD 3.8 million) to reflect adjustment of the Company's convertible debt and outstanding warrants to fair value, compared to a EUR 6.7 million (USD 9.9 million) non-cash gain during the prior year period.

At December 31, 2009, cash and cash equivalents, including short-term treasury investments, were EUR 12.7 million (USD 18.2 million). In 2009, the Company's cash burn was reduced to EUR 2.3 million, including EUR 2.2 million for the U.S. FDA trials, while operations outside of the U.S. were close to cash breakeven. The current cash position continues to leave the Company well funded to pursue its strategic development projects, both in the U.S. and Europe.

Marc Oczachowski, EDAP's Chief Executive Officer, commented, "Despite a challenging economic environment in 2009, we are pleased to report our third consecutive year of record revenue. Our strategy remains to improve our operating results in each division. We are pleased to highlight that our activities, excluding U.S. FDA trial expenses, are closer to breakeven. As we

continue to focus on reaching profitability, we are particularly encouraged with the progress of our European business and continued penetration in key markets of Sonolith I-Sys, our new and innovative lithotripsy device."

Marc Oczachowski, concluded, "Our 2009 results validate our ongoing strategy to develop and market innovative, growth driving products that benefit patients and physicians. Our objective is to expand our activities and introduce high-technology minimally-invasive solutions that will help sustain EDAP's long-term growth."

Conference Call

EDAP will hold a conference call on Tuesday, March 30, 2010 at 8:30 a.m. ET to discuss the results. The dial-in numbers are (877) 407-4134 for domestic callers and (201) 689-8430 for international. The conference ID number for both is 00346818. 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 30, 2010. In addition, a telephonic replay of the call will be available until April 5, 2010. The replay dial-in numbers are 877-660-6853 for domestic callers and 201-612-7415 for international callers. Please use account number 356 and event ID number 346818.

About EDAP TMS SA

EDAP TMS SA develops and markets Ablatherm, 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 multicenter U.S. Phase II/III clinical trial under an Investigational Device Exemption granted by the FDA. 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 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>, <http://www.hifu-planet.com> and <http://www.pcaresearch.com>.

Forward-Looking Statements

In addition to historical information, this press release contains 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 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. 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:	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	Euros	Euros	\$US	\$US
Sales of medical equipment	5,137	6,085	7,547	7,971
Net Sales of RPP and Leases	1,436	1,347	2,110	1,764
Sales of spare parts, supplies and Services	1,503	1,520	2,209	1,991
TOTAL NET SALES	8,076	8,952	11,866	11,726
Other revenues	3	68	5	89
TOTAL REVENUES	8,080	9,020	11,871	11,815
Cost of sales	(4,405)	(5,735)	(6,472)	(7,512)

GROSS PROFIT	3,675	3,285	5,399	4,303
Research & development expenses(1)	(688)	(612)	(1,012)	(802)
S, G & A expenses	(2,888)	(2,559)	(4,243)	(3,351)
Total operating expenses	(3,576)	(3,171)	(5,254)	(4,153)
OPERATING PROFIT (LOSS) (1)	98	114	145	150
Interest (expense) income, net	1,433	3,292	2,105	4,311
Currency exchange gains (loss), net	155	338	228	443
Other income (loss), net	--	(5)	--	(7)
INCOME (LOSS) BEFORE TAXES(1) AND MINORITY INTEREST	1,686	3,739	2,477	4,897
Income tax (expense) credit(1)	(57)	(148)	(84)	(194)
NET INCOME (LOSS)	1,629	3,591	2,393	4,703
Earning per share -- Basic	0.15	0.37	0.23	0.49
Average number of shares used in computation of EPS	10,510,305	9,582,593	10,510,305	9,582,593
Earning per share -- Diluted	0.15	0.37	0.23	0.49
Average number of shares used in computation of EPS for positive net income	10,545,730	9,589,658	10,545,730	9,589,658

NOTE: Translated for convenience of the reader to U.S. dollars at the 2009 average three months noon buying rate of 1 Euro = 1.4693 USD, and 2008 average three months noon buying rate of 1 Euro = 1.3098 USD.

(1) Certain prior year amounts have been reclassified to conform to the current year's presentation.

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CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)

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

	Twelve Months Ended:		Twelve Months Ended:	
	December 31, 2009	December 31, 2008	December 31, 2009	December 31, 2008
	Euros	Euros	\$US	\$US
Sales of medical equipment	13,775	12,547	19,223	18,438
Net Sales of RPP and Leases	5,444	4,664	7,597	6,854
Sales of spare parts, supplies and Services	5,620	5,645	7,843	8,296
TOTAL NET SALES	24,839	22,856	34,663	33,587
Other revenues	46	197	64	290

TOTAL REVENUES	24,885	23,053	34,727	33,878
Cost of sales	(14,213)	(13,955)	(19,834)	(20,507)
GROSS PROFIT	10,672	9,099	14,893	13,371
Research & development expenses(1)	(3,651)	(3,712)	(5,095)	(5,455)
S, G & A expenses	(10,223)	(9,546)	(14,265)	(14,029)
Total operating expenses	(13,874)	(13,258)	(19,361)	(19,483)
OPERATING PROFIT (LOSS) (1)	(3,202)	(4,159)	(4,468)	(6,112)
Interest (expense) income, net	(4,390)	5,232	(6,127)	7,689
Currency exchange gains (loss), net	(101)	577	(142)	848
Other income (loss), net	--	(1)	--	(2)
INCOME (LOSS) BEFORE TAXES(1) AND MINORITY INTEREST	(7,694)	1,648	(10,736)	2,422
Income tax (expense) credit(1)	(72)	(51)	(101)	(75)
NET INCOME (LOSS)	(7,766)	1,597	(10,837)	2,347
Earning per share -- Basic	(0.74)	0.17	(1.03)	0.24
Average number of shares used in computation of EPS	10,510,305	9,582,593	10,510,305	9,582,593
Earning per share -- Diluted	(0.74)	0.17	(1.03)	0.24
Average number of shares used in computation of EPS for positive net income	10,567,563	9,658,295	10,567,563	9,658,295

NOTE: Translated for convenience of the reader to U.S. dollars at the 2009 average twelve months noon buying rate of 1 Euro = 1.3955 USD, and 2008 average twelve months noon buying rate of 1 Euro = 1.4695 USD.

(1) Certain prior year amounts have been reclassified to conform to the current year's presentation.

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

	Dec. 31, 2009 Euros	Sept. 30, 2009 Euros	Dec. 31, 2009 \$US	Sept. 30, 2009 \$US
Cash, cash equivalents and short term investments	12,703	12,767	18,207	18,678

Total current assets	33,248	29,881	46,981	43,031
Total current liabilities	15,175	12,285	21,750	17,974
Shareholders' Equity	12,579	10,682	18,029	15,629

NOTE: Translated for convenience of the reader to U.S. dollars at the noon buying rate of 1 Euro = 1.4333 USD, on December 31, 2009 and at the noon buying rate of 1 Euro = 1.4631 USD, on September 30, 2009.

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CONDENSED STATEMENTS OF OPERATIONS BY DIVISION
TWELVE MONTHS ENDED DECEMBER 31, 2009
(Amounts in thousands of Euros)

	HIFU Division	UDS Division	FDA Trials	Corporate	Total After Consolidation
Sales of goods	3,663	10,112			13,775
Sales of RPPs & Leases	4,267	1,177			5,444
Sales of spare parts & services	1,690	3,930			5,620
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TOTAL NET SALES	9,620	15,219			24,839
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Other revenues	7	39			46
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TOTAL REVENUES	9,627	15,258			24,885
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GROSS PROFIT	5,454 57%	5,218 34%			10,672 43%
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Research & Development	(974)	(868)	(1,810)		(3,651)
Total SG&A plus depreciation	(4,257)	(4,134)	(400)	(1,431)	(10,223)
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OPERATING PROFIT (LOSS)	223	216	(2,210)	(1,431)	(3,202)

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