

NEWS RELEASE



Uroplasty

**UROPLASTY REPORTS RECORD SALES FOR THIRD FISCAL QUARTER
AND NINE MONTHS ENDED DECEMBER 31, 2007**

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- Sales Grow 73% over Same Quarter Last Year-

-- FY08 Revenue Guidance Raised --

--Conference Call to be Held Today at 10:00 am Central Time--

MINNEAPOLIS, MN, February 11, 2008 – Uroplasty, Inc. (AMEX: UPI), a medical device company that develops, manufactures and markets innovative proprietary products for the treatment of voiding dysfunction, today reported record net sales of \$3.7 million for the third quarter of fiscal 2008 ended December 31, 2007, up 73% from \$2.2 million in the year ago quarter. Excluding the translation impact of fluctuations in foreign currency exchange rates, sales during the third fiscal quarter increased by approximately 65%.

For the three months ended December 31, 2007, sales to customers in the U.S. increased to \$2.0 million from \$396,000 in the year ago period. Sales to customers outside the U.S. for the three months ended December 31, 2007 and 2006 were \$1.8 million in each period. Excluding the translation impact of fluctuations in foreign currency exchange rates, sales to customers outside of the U.S. declined by approximately 10%.

“Our relatively new U.S. sales force has begun to hit stride by adding over 100 new customer relationships for the Urgent® PC neuromodulation system, bringing to more than 300 the total number of active U.S. customers who purchased our Urgent PC system or additional lead sets during our third fiscal quarter,” said David B. Kaysen, Uroplasty’s President and CEO. “As a result, we had exceptional third quarter revenue growth and are able to increase our revenue guidance for the full fiscal year. The Urgent PC is gaining rapid acceptance within our target market and doctors report very high patient satisfaction rates. Due to the strong growth in the third quarter in active customers for and the positive feedback on the Urgent PC, our sales team will focus a large amount of their time over the near term on building utilization rates with our newer customers. To help, we recently launched an expanded CO-OP marketing program to give our customers more options to enhance their practice, and market the benefits and availability of the Urgent PC system to treat overactive bladder (OAB) symptoms to their patients. Our efforts and focus on the existing customer base will help us actively penetrate the market and further position Urgent PC to be the leading choice for effective, and patient-friendly treatment for OAB symptoms with minimal side effects.”

For the nine months ended December 31, 2007, net sales of \$9.7 million increased 71% from \$5.7 million for the same period in the prior year. Excluding the translation impact of fluctuations in foreign currency exchange rates, sales increased by approximately 64%.

For the nine months ended December 31, 2007, sales to customers in the U.S. increased to \$4.2 million, compared to \$752,000 in the same nine-month period last year. Sales to customers outside the U.S. for the nine months ended December 31, 2007 were \$5.5 million, representing a 12% increase, compared to \$4.9 million in the same nine-month period last year. Excluding the translation impact of fluctuations in foreign currency exchange rates, sales to customers outside of the U.S. increased by approximately 4%.

Non-GAAP operating loss, which excludes non cash charges attributed to SFAS 123 (R) stock options, and depreciation and amortization expenses, as set forth below and reconciled to GAAP operating loss, declined to approximately \$466,000 and \$1.5 million for the three and nine months ended December 31, 2007 respectively, from approximately \$820,000 and \$3.3 million for the respective year ago periods. Included in the three and nine months ended December 31, 2007 is a \$214,000 charge attributed to the cost for exiting the lease of the manufacturing facility in Eindhoven, The Netherlands and severance pay. The decline in non-GAAP operating loss is attributed primarily to the increase in sales and an improvement in gross margin rate, offset partially by an increase in cash operating expenses.

Net loss for the three- and nine-month period ended December 31, 2007 was \$900,000 or \$0.06 per diluted share, and \$3.1 million, or \$0.23 per diluted share, respectively. Net loss for the corresponding periods in the prior year was \$563,000, or \$0.07 per diluted share, and \$4.0 million, or \$0.51 per diluted share, respectively.

Mr. Kaysen continued, “Based on our year-to-date performance, we are pleased to raise our fiscal year 2008 revenue guidance to approximately \$13.5 million. In addition, we continue to believe we can grow fiscal 2009 sales 30% to 40% and sales to customers in the U.S. over 60% based on the continued market adoption of Urgent PC system and the continued successful expansion of our U.S. direct sales force.”

As previously announced, Uroplasty will host an audio conference call on Monday, February 11, 2008, at 10.00 am central time to review the financial results for the third fiscal quarter. David Kaysen, President and Chief Executive Officer and Medi Jiwani, Vice President, Chief Financial Officer and Treasurer will host the call. Individuals wishing to participate in the conference call should dial 800-240-5318 (domestic) or 303-262-2140 (international). An audio replay will be available two hours after the call for 30 days by dialing (800) 405-2236 (domestic) or 303-590-3000 (international), with the passcode 11108161#.

UROPLASTY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2007	2006	2007	2006
Net sales	\$3,729,314	\$2,158,273	\$9,717,531	\$5,683,253
Cost of goods sold	789,955	752,181	2,053,208	1,760,553
Gross profit	2,939,359	1,406,092	7,664,323	3,922,700
Operating expenses				
General and administrative	799,193	707,288	2,755,000	2,365,574
Research and development	460,374	424,987	1,393,496	1,758,350
Selling and marketing	2,399,227	1,301,575	6,006,598	3,837,858
Amortization of intangibles	209,862	25,210	632,865	78,323
	3,868,656	2,459,060	10,787,959	8,040,105
Operating loss	(929,297)	(1,052,968)	(3,123,636)	(4,117,405)
Other income (expense)				
Interest income	74,928	15,776	216,550	53,592
Interest expense	(6,497)	(8,671)	(27,141)	(25,136)
Warrant benefit	-	522,995	-	150,315
Foreign currency exchange gain (loss)	(37,632)	4,413	(53,538)	34,376
Other, net	2,134	-	4,014	3,585
	32,933	534,513	139,885	216,732
Loss before income taxes	(896,364)	(518,455)	(2,983,751)	(3,900,673)
Income tax expense	4,004	44,802	141,944	62,713
Net loss	\$(900,368)	\$(563,257)	\$(3,125,695)	\$(3,963,386)
Basic and diluted loss per common share	\$(0.06)	\$(0.07)	\$(0.23)	\$(0.51)
Weighted average common shares outstanding:				
Basic and diluted	14,119,583	8,555,586	13,482,928	7,766,463

UROPLASTY, INC. AND SUBSIDIARIES
CONDENSED CONSOLIDATED BALANCE SHEETS

	December 31, 2007 (unaudited)	March 31, 2007
Assets		
Cash, cash equivalents and short-term investments	\$10,307,261	\$6,763,702
All other current assets	2,877,962	2,449,081
Property, plant, and equipment, net	1,553,000	1,431,749
Intangible assets, net	4,426,101	308,093
Deferred tax assets	96,399	93,819
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Total assets	\$19,260,723	\$11,046,444
Liabilities and Shareholders' Equity		
Total current liabilities	2,477,318	2,005,608
Long-term debt – less current maturities	405,761	427,382
Deferred rent – less current portion	189,329	214,381
Accrued pension liability	346,838	596,026
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Total liabilities	3,419,246	3,243,397
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Total shareholders' equity	15,841,477	7,803,047
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Total liabilities and shareholders' equity	\$19,260,723	\$11,046,444

UROPLASTY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS

Nine Months Ended December 31, 2007 and 2006

(Unaudited)

	Nine Months Ended	
	December 31,	
	2007	2006
Cash flows from operating activities:		
Net loss	\$(3,125,695)	\$(3,963,386)
Adjustments to reconcile net loss to net cash used in operating activities:		
Depreciation and amortization	796,748	223,048
Gain on disposal of equipment	(2,769)	(3,576)
Warrant benefit	-	(150,315)
Stock-based consulting expense	37,942	48,043
Stock-based compensation expense	829,146	587,904
Deferred income taxes	7,113	(64,694)
Deferred rent	(26,250)	(23,333)
Changes in operating assets and liabilities:		
Accounts receivable	(534,542)	(365,812)
Inventories	64,390	(149,247)
Other current assets and income tax receivable	191,921	288,974
Accounts payable	94,198	91,619
Accrued liabilities and income tax payable	312,158	(24,069)
Accrued pension liability, net	(247,388)	214,909
Net cash used in operating activities	(1,603,028)	(3,289,935)
Cash flows from investing activities:		
Proceeds from sale of short-term investments	4,200,000	1,137,647
Purchase of short-term investments	(3,648,447)	-
Purchases of property, plant and equipment	(210,875)	(150,578)
Proceeds from sale of equipment	4,811	4,294
Payments for intangible assets	(92,013)	-
Net cash provided by investing activities	253,476	991,363
Cash flows from financing activities:		
Proceeds from financing obligations	178,374	210,999
Repayment of debt obligations	(239,872)	(158,820)
Net proceeds from issuance of common stock, warrants and option exercise	5,374,233	6,393,795
Net cash provided by financing activities	5,312,735	6,445,974
Effect of exchange rates on cash and cash equivalents	131,929	3,663
Net increase in cash and cash equivalents	4,095,112	4,151,065
Cash and cash equivalents at beginning of period	3,763,702	1,563,433
Cash and cash equivalents at end of period	\$7,858,814	\$5,714,498
Supplemental disclosure of cash flow information:		
Cash paid during the period for interest	\$25,204	\$22,011
Cash paid during the period for income taxes	87,900	93,935
Supplemental disclosure of non-cash financing and investing activities:		
Employee retirement savings plan contribution issued in common shares	-	44,385
Property, plant and equipment additions funded by lessor allowance and classified as deferred rent	-	280,000
Purchase of intellectual property funded by issuance of stock	4,658,861	-

Non-GAAP Financial Measures. The following table reconciles our non-GAAP financial measures that exclude non cash charges attributed to stock options under SFAS 123 (R), and depreciation and amortization expenses from gross profit, operating expenses and operating loss to our GAAP financial statements above. The non-GAAP financial measures used by management and disclosed by us are not a substitute for, or superior to, financial measures and consolidated financial results calculated in accordance with GAAP, and you should carefully evaluate our reconciliations to non-GAAP. We may calculate our non-GAAP financial measures differently from similarly titled measures used by other companies. Therefore, our non-GAAP financial measures may not be comparable to those used by other companies. We have described the reconciliations of each of our non-GAAP financial measures above to the most directly comparable GAAP financial measures.

Management uses our non-GAAP financial measures, and in particular non-GAAP operating loss, for internal managerial purposes because we believe such measures are one important indicator of the strength and the performance of our business because they provide a link to operating cash flow. We also believe that analysts and investors use such measures to evaluate the overall operating performance of companies in our industry, including as a means of comparing period-to-period results and as a means of evaluating our results with those of other companies.

	Three Months Ended		Nine Months Ended	
	December 31,		December 31,	
	2007	2006	2007	2006
Gross Profit				
GAAP gross profit	\$2,939,359	\$1,406,092	\$7,664,323	\$3,922,700
% of sales	79%	65%	79%	69%
SFAS 123 (R) stock option charges	9,008	-	18,695	1,361
Depreciation expenses	13,277	12,330	41,882	36,358
Non-GAAP gross profit	<u>2,961,644</u>	<u>1,418,422</u>	<u>7,724,900</u>	<u>3,960,419</u>
Operating Expenses				
GAAP operating expenses	3,868,656	\$2,459,060	\$10,787,959	\$8,040,105
SFAS 123 (R) stock option charges	187,438	158,770	848,394	634,585
Depreciation expenses	43,842	37,015	122,001	108,367
Amortization expenses	209,862	25,210	632,865	78,323
Non-GAAP operating expenses	<u>3,427,514</u>	<u>2,238,065</u>	<u>9,184,699</u>	<u>7,218,830</u>
Operating Loss				
GAAP operating loss	(929,297)	(1,052,968)	(3,123,636)	(4,117,405)
SFAS 123 (R) stock option charges	196,446	158,770	867,089	635,946
Depreciation expenses	57,119	49,345	163,883	144,725
Amortization expenses	209,862	25,210	632,865	78,323
Non-GAAP operating loss	<u>\$(465,870)</u>	<u>\$(819,643)</u>	<u>\$(1,459,799)</u>	<u>\$(3,258,411)</u>

About Uroplasty, Inc.

Uroplasty, Inc., headquartered in Minnetonka, Minnesota, with wholly-owned subsidiaries in The Netherlands and the United Kingdom, is a medical device company that develops, manufactures and markets innovative proprietary products for the treatment of voiding dysfunctions. Our primary focus is the commercialization of our Urgent PC system, which we believe is the only FDA-approved non-surgical neurostimulation therapy for the treatment of overactive bladder (OAB) symptoms. We also offer Macroplastique® Implants, a bulking agent for the treatment of urinary incontinence. Please visit Uroplasty, Inc. at www.uroplasty.com.

Safe Harbor

The Private Securities Litigation Reform Act of 1995 provides a “safe harbor” for certain forward-looking statements. This press release contains forward-looking statements, which reflect our views regarding future events and financial performance. These forward-looking statements are subject to certain risks and uncertainties, including those identified below, which could cause actual results to differ materially from historical results or those anticipated. The words “aim,” “believe,” “expect,” “anticipate,” “intend,” “estimate” and other expressions, which indicate future events and trends, identify forward-looking statements. Actual future results and trends may differ materially from historical results or those anticipated depending upon a variety of factors, including, but not limited to: the effect of government regulation, including when and if we receive approval for marketing products in the United States; the impact of international currency fluctuations on our cash flows and operating results; the impact of technological innovation and competition; acceptance of our products by physicians and patients, our historical reliance on a single product for most of our current sales; our ability to commercialize our recently licensed product lines; our intellectual property and the ability to prevent competitors from infringing our rights; the ability to receive third party reimbursement for our products; the results of clinical trials; our continued losses and the possible need to raise additional capital in the future; our ability to manage our international operations; our ability to hire and retain key technical and sales personnel; our dependence on key suppliers; future changes in applicable accounting rules; and volatility in our stock price. We cannot assure that we can successfully expand our U.S. field sales force, that our active customer base will continue to grow or that we will be successful in helping our active customers introduce, and our existing customers will continue to market, our Urgent PC technology. Our fiscal 2008 to date financial performance is not indicative of future performance. We cannot assure that we will achieve our projected revenue target range for fiscal 2008 or 2009. Uroplasty undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties.

For Further Information:

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