

NEWS RELEASE

UROPLASTY, INC. ANNOUNCES HEALTH PLAN COVERAGE POLICIES FOR DEVICE USE

MINNEAPOLIS, MN, January 16, 2006 -- Uroplasty, Inc. (AMEX: UPI) announced today two new decisions by payers to cover Percutaneous Tibial Nerve Stimulation (PTNS) therapies. Blue Cross Blue Shield of Minnesota and Blue Cross Blue Shield of Maryland recently issued coverage policies for PTNS for the treatment of Overactive Bladder (OAB) symptoms. Uroplasty's Urgent® PC Neurostimulation System is the only device available to deliver PTNS.

Upon learning of these coverage decisions, Sam B. Humphries, President and CEO of Uroplasty, commented, "With these coverage decisions from Blue Cross Blue Shield organizations, it is obvious these payers recognize the clinical benefit and cost-effectiveness of PTNS for treating OAB and have ensured their members have access to this non-drug, non-surgical therapy."

Uroplasty, Inc., headquartered in Minneapolis, 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, including urinary and fecal incontinence, overactive bladder and vesicoureteral reflux.

The Urgent PC system is a proprietary, minimally invasive nerve stimulation device designed for office-based treatment of overactive bladder symptoms of urge incontinence, urinary urgency and urinary frequency. Application of neuromodulation therapy targets specific nerve tissue and disrupts the signals that lead to the symptoms of overactive bladder. Uroplasty sells the Urgent PC system in the United States, in Canada and in countries recognizing the CE symbol. Outside the United States, the Urgent PC is also indicated for the treatment of fecal incontinence.

The I-STOP™ Mid-Urethral Sling is a biocompatible, tension-free sling used to treat female urinary incontinence. The I-STOP sling provides a hammock-like support for the urethra to prevent urine leakage associated with activities such as coughing, laughing, lifting or jumping. Uroplasty sells the I-STOP Sling in the United Kingdom and in the United States.

Macroplastique® Implants, Uroplasty's patented soft tissue bulking agent, is used to treat both female and male urinary incontinence and to treat vesicoureteral reflux in children. When Macroplastique is injected into tissue, it stabilizes and "bulks" the tissue, providing the surrounding muscles with increased capability to control the flow of urine. Additionally, Uroplasty markets soft tissue bulking agents for specific indications such as PTQ™ Implants for the treatment of fecal incontinence, VOX® Implants for the treatment of vocal cord rehabilitation and Bioplastique® for augmentation or restoration of soft tissue defects in plastic surgery indications. Uroplasty's bulking products are sold outside the United States.

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.

FOR FURTHER INFORMATION: visit Uroplasty's web page at www.uroplasty.com or contact Mr. Humphries.

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