

## **NEWS RELEASE**

### **Uroplasty, Inc. Reports Financial Results for the Third Quarter Of Fiscal 2007 and Nine Months Ended December 31, 2006**

-- Record Sales in Third Fiscal Quarter --

MINNEAPOLIS, MN, February 12, 2007 – Uroplasty, Inc. (AMEX: UPI) today reported record sales of \$2.2 million for the third quarter of fiscal 2007 ended December 31, 2006, up 36%, or \$566,000, from \$1.6 million for the same quarter in the prior year. For the nine months ended December 31, 2006, sales of \$5.7 million increased \$890,000, or 19%, from \$4.8 million for the same period in the prior year. Net loss for the third fiscal quarter was \$563,000, or \$0.07 per diluted share, compared to a net loss for the same quarter in the prior year of \$658,000, or \$0.10 per diluted share. Net loss for the nine months ended December 31, 2006 was \$4.0 million, or \$0.51 per diluted share, compared to a net loss for the same period in the prior year of \$2.9 million, or \$0.43 per diluted share.

David B. Kaysen, Uroplasty's President and CEO said, "We are extremely pleased with our record sales performance in the third quarter of fiscal 2007, which reflects solid performance in all of our geographical areas. We are getting the expected traction in the U.S. now that we have on-board a full complement of fully-trained sales representatives. We expect the U.S. market to continue to fuel our growth. Sales of \$396,000 in the third quarter of fiscal 2007 to customers in the U.S. showed continued sequential growth, and were up from \$253,000 in the previous quarter. Through nine months ended December 31, 2006, sales to customers in the U.S. accounted for 13% of the consolidated sales, up from one percent for the same period a year ago."

Kaysen added, "Our continued focus on our Urgent® PC neuromodulation system for treatment of overactive bladder symptoms has shown positive results in the U.S. and Europe. In addition, in January we launched in the U.S. our Macroplastique® Implants product for the treatment of stress urinary incontinence, now that we have received FDA pre-market approval."

Kaysen continued, "As previously announced, in December 2006 we closed on the follow-on public offering of \$4.9 million of our common stock. We plan to use the proceeds from the offering to fund operations and for working capital purposes, primarily for continued growth of our U.S. business."

UROPLASTY, INC. AND SUBSIDIARIES  
CONDENSED CONSOLIDATED BALANCE SHEETS

	<b>December 31, 2006</b> <b>(unaudited)</b>	<b>March 31, 2006</b>
<b>Assets</b>		
Total current assets	8,227,904	4,798,841
Property, plant, and equipment, net	1,429,199	1,079,438
Intangible assets, net	333,281	411,604
Deferred tax assets	188,455	111,361
Total assets	<u>\$10,178,839</u>	<u>\$6,401,244</u>
<b>Liabilities and Shareholders' Equity</b>		
Total current liabilities	2,115,530	2,131,788
Long-term debt – less current maturities	445,920	389,241
Deferred rent – less current portion	222,732	-
Accrued pension liability	742,083	473,165
Total liabilities	<u>3,526,265</u>	<u>2,994,194</u>
Total shareholders' equity	<u>6,652,574</u>	<u>3,407,050</u>
Total liabilities and shareholders' equity	<u>\$10,178,839</u>	<u>\$6,401,244</u>

UROPLASTY, INC. AND SUBSIDIARIES

CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(Unaudited)

	Three Months Ended December 31,		Nine Months Ended December 31,	
	2006	2005	2006	2005
Net sales	\$2,158,273	\$1,592,526	\$5,683,253	\$4,793,134
Cost of goods sold	752,181	391,163	1,760,553	1,274,308
Gross profit	1,406,092	1,201,363	3,922,700	3,518,826
Operating expenses				
General and administrative	732,498	859,321	2,443,897	2,294,752
Research and development	424,987	700,203	1,758,350	2,361,609
Selling and marketing	1,301,575	852,483	3,837,858	2,321,122
	2,459,060	2,412,007	8,040,105	6,977,483
Operating loss	(1,052,968)	(1,210,644)	(4,117,405)	(3,458,657)
Other income (expense)				
Interest income	15,776	52,511	53,592	107,507
Interest expense	(8,671)	(12,767)	(25,136)	(22,091)
Warrant benefit	522,995	560,048	150,315	575,471
Foreign currency exchange gain (loss)	4,413	(7,374)	34,376	(15,779)
Other	-	438	3,585	438
	534,513	592,856	216,732	645,546
Loss before income taxes	(518,455)	(617,788)	(3,900,673)	(2,813,111)
Income tax expense	44,802	39,942	62,713	42,648
Net loss	\$(563,257)	\$(657,730)	\$(3,963,386)	\$(2,855,759)
Basic and diluted loss per common share	\$(0.07)	\$(0.10)	\$(0.51)	\$(0.43)
Weighted average common shares outstanding:				
Basic and diluted	8,555,586	6,878,251	7,766,463	6,695,674

\*\*\*

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, including urinary and fecal incontinence, overactive bladder and vesicoureteral reflux.

The Urgent® PC Neuromodulation 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 mark. 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 stress 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 sells Macroplastique in the United States and in countries throughout the world. Uroplasty sells its other bulking products 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. The Company's financial performance for the third quarter of fiscal 2007 and nine months ended December 31, 2006 are not indicative of future performance. Uroplasty undertakes no obligation to update or revise these forward-looking statements to reflect new events or uncertainties.

FOR FURTHER INFORMATION: visit Uroplasty's web page at [www.uroplasty.com](http://www.uroplasty.com) or contact David Kaysen, President and CEO or Medi Jiwani, Vice President, CFO and Treasurer.

UROPLASTY, INC.  
5420 Feltl Road  
Minnetonka, Minnesota 55343  
Tel: 952.426.6140  
Fax: 952.426.6199