



Intuitive Surgical Announces \$14.4 Million First Quarter Revenue; da Vinci Surgical System Base Surpasses 100

April 25, 2002

MOUNTAIN VIEW, Calif., Apr 25, 2002 (BUSINESS WIRE) -- Intuitive Surgical, Inc. (Nasdaq:ISRG), the leader in operative surgical robotics, today reported sales of \$14.4 million in the first quarter of 2002, up 19% from \$12.1 million reported in the first quarter of 2001. Sales growth was driven by increased recurring revenue and higher da Vinci(TM) Surgical System placements. First quarter 2002 recurring revenue, consisting of instruments, accessories, and service was \$2.7 million, up 120% from \$1.2 million for the same period last year. Intuitive shipped 13 da Vinci(TM) Surgical Systems during the first quarter of 2002 compared to 12 in the first quarter of 2001. During the quarter, Intuitive surpassed 100 cumulative da Vinci(TM) Surgical System placements, ending the quarter with 102.

Total first quarter 2002 systems sales were \$11.7 million, instruments and accessories \$1.7 million, and service revenue \$1.0 million. The following table compares first quarter 2002 revenue and da Vinci(TM) Surgical System placements to the prior year.

	Q102	Q101	Incr.
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Revenue (Millions)			
Systems	\$11.7	\$10.9	\$ 0.8
Instruments/Accys	\$ 1.7	\$ 0.9	\$ 0.8
Service	\$ 1.0	\$ 0.3	\$ 0.7
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	\$14.4	\$12.1	\$ 2.3
System Population			
Placements	13	12	1
Cumulative Placements		102	52 50

Intuitive's gross margin for the first quarter of 2002 was 48%, compared with 46% for the first quarter of 2001. Gross margin improvement resulted largely from increased sales and improved manufacturing efficiency.

Net loss for the first quarter of 2002 was \$5.6 million, compared to a net loss of \$3.4 million for the first quarter of 2001. Basic and diluted net loss per share was \$0.15, compared to a net loss per share of \$0.10 for the first quarter of 2001.

Commenting on the announcement, Lonnie Smith, President and CEO of Intuitive Surgical, said: "We are pleased with our first quarter financial results and revenue growth. During the quarter we successfully moved our headquarters and manufacturing operation to a larger facility. The new facility is now completely operational, providing us with the capacity to support our planned growth into the future. We are proud to have grown our base of da Vinci(TM) Surgical Systems to over 100 during this quarter and our customers continue to increase system usage, which is reflected in the growth of our recurring revenues."

The company will also announce these results at a conference call today at 1:30 PM PT. The dial-in numbers for this call are 888-730-9134 for U.S. calls and 630-395-0027 for international calls. The passcode is ISRG and the meeting leader is Mr. Lonnie Smith.

About the da Vinci(TM) Surgical System:

The da Vinci(TM) Surgical System consists of a surgeon's viewing and control console having an integrated, high-performance InSite(TM) 3-D vision system, a patient-side cart consisting of three robotic arms that position and precisely maneuver endoscopic instruments and an endoscope, and a variety of articulating EndoWrist(TM) Instruments. By integrating computer-enhanced technology with surgeons' technical skills, Intuitive believes that its System enables surgeons to perform better surgery in a manner never before experienced. The da Vinci(TM) Surgical System seamlessly and directly translates the surgeon's natural hand, wrist and finger movements on instrument controls at the surgeon's console outside the patient's body into corresponding micro-movements of the instrument tips positioned inside the patient through small puncture incisions, or ports.

The statements contained in this release may be deemed to contain "forward-looking statements." Such statements are indicated by words or phrases such as "anticipate," "estimate," "projects," "believes," "intends," "expects" and similar words and phrases. Actual results may differ materially from those expressed or implied in any forward-looking statement as a result of certain risks and uncertainties, including, without limitation, competition and market acceptance of the Company's products, ability to obtain regulatory approvals and third-party reimbursement, ability to raise additional capital and other risks and uncertainties detailed in the Company's Securities and Exchange Commission filings. Prospective investors are cautioned not to place undue reliance on such forward-looking statements.

Intuitive(R), da Vinci(TM), InSite(TM), and EndoWrist(TM) are trademarks of Intuitive Surgical, Inc.

INTUITIVE SURGICAL, INCORPORATED
CONSOLIDATED STATEMENTS OF OPERATIONS (UNAUDITED)
(IN THOUSANDS, EXCEPT PER-SHARE DATA)

	Three months ended	
	March 31, 2002	March 31, 2001
Sales	\$ 14,409	\$ 12,079
Cost of sales	7,507	6,563
Gross profit	6,902	5,516
Operating costs and expenses:		
Research and development	4,232	3,231
Selling, general and administrative	8,785	6,835
Total operating costs and expenses	13,017	10,066
Loss from operations	(6,115)	(4,550)
Other income/(expense)	498	1,143
Net loss	\$ (5,617)	\$ (3,407)
Weighted average shares outstanding used to compute net loss per share	36,308	35,401
Loss per share - basic and diluted	\$ (0.15)	\$ (0.10)

INTUITIVE SURGICAL, INCORPORATED
CONSOLIDATED BALANCE SHEETS (UNAUDITED)
(IN THOUSANDS)

	March 31, 2002	December 31, 2001
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	\$ 56,629	\$ 66,661
Accounts receivable, net	15,492	13,248
Inventories, net	6,242	6,182
Prepaid expenses	2,888	3,128
Total current assets	81,251	89,219
Property and equipment, net	11,124	7,834
Other assets	3,113	3,308
Total assets	\$ 95,488	\$ 100,361
Liabilities and stockholders' equity		
Current Liabilities:		
Accounts payable	\$ 9,184	\$ 8,300
Accrued compensation and employee benefits	2,506	2,537
Warranty provision	1,787	1,831
Accrued liabilities	2,085	3,128
Deferred revenue	3,624	3,870
Current portion of notes payable	1,587	1,631
Total current liabilities	20,773	21,297
Notes payable	1,282	771
Stockholders' equity		
Common stock	36	36
Additional paid-in capital	189,962	188,962
Deferred compensation	(670)	(886)
Accumulated deficit	(115,987)	(110,370)
Accumulated other comprehensive income	92	551
Total stockholders' equity	73,433	78,293
Total liabilities and stockholders' equity	\$ 95,488	\$ 100,361

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