

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 or 15(d) of
The Securities Exchange Act of 1934

Date of Report: October 25, 2005
(Date of earliest event reported)

INTUITIVE SURGICAL, INC.

(exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation or
organization)

000-30713
Commission File Number

77-0416458
(I.R.S. Employer Identification
No.)

950 Kifer Road
Sunnyvale, California 94086
(Address of Principal executive offices, including zip code)

(408) 523-2100
(Registrant's telephone number, including area code)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Item 2.02. Results of Operations and Financial Condition.

On October 25, 2005, Intuitive Surgical issued a press release announcing its financial results for the third quarter ended September 30, 2005. A copy of the press release is attached hereto as Exhibit 99.1 and is incorporated by reference into this Item 2.02.

Item 9.01. Financial Statements and Exhibits.

[Press release issued by Intuitive Surgical, dated October 25, 2005.](#)

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

INTUITIVE SURGICAL, INC.

Date: October 25, 2005

By /s/ LONNIE M. SMITH
Name: Lonnie M. Smith
Title: President and Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	Press Release issued by Intuitive Surgical, dated October 25, 2005.

Intuitive Surgical Announces Record \$60.9 Million Third Quarter Revenue, Up 72%; \$0.55 Earnings per Share

SUNNYVALE, CA -- 10/25/2005 -- Intuitive Surgical, Inc. (NASDAQ: ISRG), the industry leader in surgical robotics, today reported third quarter 2005 sales of \$60.9 million, increasing 72% from \$35.5 million for the third quarter of 2004. Higher sales were driven by higher da Vinci® Surgical System shipments and continued recurring revenue growth.

Intuitive sold 30 da Vinci® Surgical Systems during the third quarter of 2005, compared to 18 in the third quarter of 2004. Third quarter 2005 system revenue increased to \$33.6 million from \$19.0 million during the third quarter of 2004.

Third quarter 2005 recurring revenue, consisting of instrument, accessory, service and training revenue, increased to \$27.3 million from \$16.5 million during the third quarter of 2004. Recurring revenue growth resulted from a larger installed base of da Vinci® Surgical Systems and increased system usage.

	Three Months Ended,			Nine Months Ended,		
	9/30/05	9/30/04	Increase	9/30/05	9/30/04	Increase
Revenue (\$Millions)						
Systems	\$33.6	\$19.0	\$14.6	\$83.3	\$51.7	\$31.6
Instruments/Accessories	\$18.1	\$10.3	\$7.8	\$47.2	\$25.9	\$21.3
Service/Training	\$9.2	\$6.2	\$3.0	\$24.7	\$16.0	\$8.7
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	\$60.9	\$35.5	\$25.4	\$155.2	\$93.6	\$61.6
	=====	=====	=====	=====	=====	=====
da Vinci® Surgical System Unit Sales	30	18	12	75	51	24
	=====	=====	=====	=====	=====	=====

Third quarter 2005 operating income increased to \$21.0 million, up from \$5.5 million reported for the third quarter of 2004.

The company reported third quarter 2005 net income of \$20.7 million, or \$0.55 per diluted share, compared to \$6.1 million, or \$0.17 per diluted share for the third quarter of 2004. Cash, cash equivalents and short-term investments ended the period at \$189.4 million, up \$30.9 million from last quarter.

Commenting on the announcement, Lonnie Smith, Chairman and CEO of Intuitive Surgical, said, "We are pleased with our third quarter revenue and operating profit growth. These financial results reflect the continued adoption of da Vinci Surgery, which enables surgeons and medical centers to provide the high-value procedures sought after by today's highly informed patients."

The company will also announce these results at a conference call today at 1:30 pm PDT. The dial-in numbers for the call are 877-909-3508 for participants located in the U.S. and 517-645-6051 for participants located outside the U.S. The passcode is ISRG and the meeting leader is Mr. Lonnie Smith. To access financial information that will be discussed on the call, please visit Intuitive Surgical's website at www.intuitivesurgical.com.

About Intuitive's Products:

The da Vinci® Surgical System consists of a surgeon's viewing and control console having an integrated, high-performance InSite® 3-D vision system, a patient-side cart consisting of three or four robotic arms that position and precisely maneuver endoscopic instruments and an endoscope, and a variety of articulating EndoWrist® 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® 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 Aesop® Endoscope Positioner is a voice-activated robotic arm that automates the critical task of endoscope positioning, providing the surgeon with direct control over a smooth, precise and stable view of the internal surgical field.

The Hermes® Control Center is a centralized system designed to voice control a series of networked "smart" medical devices.

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. These forward-looking statements are necessarily estimates reflecting the best judgment of our management and involve a number of risks and uncertainties that could cause actual results to differ materially from those suggested by the forward-looking statements. These forward-looking statements should, therefore, be considered in light of various important factors, including the following: timing and success of product development and market acceptance of developed products; regulatory approvals, clearances and restrictions; guidelines and recommendations in the health care and patient communities; intellectual property positions and litigation; competition in the medical device industry and in the specific markets of surgery in which Intuitive Surgical operates; and unanticipated manufacturing disruptions, delays in regulatory approvals of new manufacturing facilities or the inability to meet demand for products. Words such as "estimate," "project," "plan," "intend," "expect," "anticipate," "believe" and similar expressions are intended to identify forward-looking statements. You are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date of this press release. We undertake no obligation to publicly update or release any revisions to these forward-looking statements to reflect events or circumstances after the date of this press release or to reflect the occurrence of unanticipated events.

Intuitive®, da Vinci®, InSite®, EndoWrist®, Hermes®, and Aesop® are registered trademarks of Intuitive Surgical, Inc.

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

	Three Months Ended,		Nine Months Ended,	
	9/30/05	9/30/04	9/30/05	9/30/04
Sales:				
Products	\$ 51,667	\$ 29,262	\$130,501	\$ 77,583
Services	9,207	6,231	24,743	16,026
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Total sales	60,874	35,493	155,244	93,609
Cost of sales:				
Products	14,769	9,798	39,573	27,871
Services	3,988	2,973	10,664	7,552
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Total cost of sales	18,757	12,771	50,237	35,423
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Gross profit	42,117	22,722	105,007	58,186
Gross profit %	69.2%	64.0%	67.6%	62.2%
Operating costs and expenses:				
Selling, general, and administrative	16,521	12,600	46,659	34,378
Research and development	4,587	4,635	13,087	13,571
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Total operating costs and expenses	21,108	17,235	59,746	47,949
Income from operations	21,009	5,487	45,261	10,237
Other income, net	1,430	692	3,107	1,924
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Income before income tax provision	22,439	6,179	48,368	12,161
Income tax provision	1,719	66	3,760	365
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Net income	\$ 20,720	\$ 6,113	\$ 44,608	\$ 11,796
=====	=====	=====	=====	=====
Net earnings per share -				
Basic	\$ 0.59	\$ 0.18	\$ 1.28	\$ 0.35
=====	=====	=====	=====	=====
Diluted	\$ 0.55	\$ 0.17	\$ 1.19	\$ 0.34
=====	=====	=====	=====	=====
Weighted average shares outstanding used to compute net earnings per share -				
Basic	35,154	33,823	34,820	33,556
=====	=====	=====	=====	=====
Diluted	38,013	35,305	37,426	34,534
=====	=====	=====	=====	=====

INTUITIVE SURGICAL, INC.
CONSOLIDATED BALANCE SHEETS
(IN THOUSANDS)

	(Unaudited) 9/30/05	12/31/04 (a)
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Assets		
Current assets:		
Cash and cash equivalents	8,729	5,771
Investments	180,691	126,267
Accounts receivable, net	43,756	35,443
Inventory	12,220	5,966
Prepays	5,146	3,032
Restricted cash	319	205
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Total current assets	250,861	176,684
Property and equipment, net	29,451	27,065
Restricted cash	-	319
Intangible assets, net	4,821	6,221
Goodwill	141,750	143,332
Other assets	1,032	608
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Total assets	\$ 427,915	\$ 354,229
=====	=====	=====
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	7,497	4,485
Accrued compensation and employee benefits	10,368	10,321
Deferred revenue	20,655	15,372
Restructuring accrual	345	541
Other accrued liabilities	7,313	7,057
Current portion of notes payable	35	609
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Total current liabilities	46,213	38,385
Deferred revenue	262	505
Other accrued liabilities	822	407
Stockholders' equity		
Common stock	35	34
Preferred stock	-	-
Additional paid-in capital	452,507	430,362
Accumulated deficit	(70,515)	(114,936)
Treasury stock	-	(136)
Accumulated other comprehensive loss	(1,409)	(392)
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Total stockholders' equity	380,618	314,932
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Total liabilities and stockholders' equity	\$ 427,915	\$ 354,229
=====	=====	=====

(a) - Derived from the audited financial statements included in the Company's Annual Report on Form 10-K for the year ended December 31, 2004 but does not include all of the information and footnotes required by accounting principles generally accepted in the United States for complete financial statements.

Contacts:

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