

---

# 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: April 21, 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**

**77-0416458**

Commission File Number

(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 April 21, 2005, Intuitive Surgical issued a press release announcing its financial results for the first quarter ended March 31, 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 April 21, 2005.

(2)

---

#### 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: April 21, 2005

By /s/ LONNIE M. SMITH

Name: Lonnie M. Smith

Title: President and Chief Executive Officer

EXHIBIT INDEX

Exhibit No.	Description
99.1	<a href="#">Press Release issued by Intuitive Surgical, dated April 21, 2005</a>

**Intuitive Surgical Announces \$41.6 Million First Quarter Revenue, Up 54% and \$9.1 Million Net Income, \$0.25 Per Share**

SUNNYVALE, CA -- 04/21/2005 -- Intuitive Surgical, Inc. (NASDAQ: ISRG), the industry leader in surgical robotics, today reported first quarter 2005 sales of \$41.6 million, increasing 54% from \$27.1 million for the first quarter of 2004. Higher sales were driven by higher da Vinci® Surgical System shipments and continued recurring revenue growth.

Intuitive sold 19 da Vinci® Surgical Systems during the first quarter of 2005, compared to 14 in the first quarter of 2004. First quarter 2005 system revenue increased to \$21.3 million from \$14.6 million during the first quarter 2004.

First quarter 2005 recurring revenue, consisting of instrument, accessory, service and training revenue, increased to \$20.3 million from \$12.5 million during the first quarter 2004. Recurring revenue growth resulted from a larger installed base of da Vinci® Surgical Systems and increased system usage.

	Three Months Ended,		
	3/31/05	3/31/04	Increase
Revenue (\$Millions)			
Systems	\$21.3	\$14.6	\$ 6.7
Instruments/Accessories	\$12.9	\$ 7.9	\$ 5.0
Service/Training	\$ 7.4	\$ 4.6	\$ 2.8
	=====	=====	=====
	\$41.6	\$27.1	\$14.5
	=====	=====	=====
da Vinci® Surgical System Unit Sales	19	14	5
	=====	=====	=====

First quarter 2005 operating income increased to \$8.9 million, up from \$0.3 million reported for the first quarter 2004.

The company reported first quarter 2005 net income of \$9.1 million, or \$0.25 per diluted share, compared to \$0.9 million, or \$0.02 per diluted share for the first quarter 2004.

Intuitive was \$17.4 million cash flow positive for the first quarter 2005, ending the period with \$149.5 million in cash and short-term investments.

Commenting on the announcement, Lonnie Smith, Chairman and CEO of Intuitive Surgical, said, "We are pleased with our first quarter financial results which demonstrate the power of our business model to sustain high revenue growth and generate cash. We remain committed to growing our company within realistic financial constraints, focusing on the 'vital few' things that will truly make a difference, and driving future investment priorities based on clinical need and economic return."

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 484-630-4228 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](http://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 SURGICAL, INC.  
 CONSOLIDATED STATEMENTS OF OPERATIONS  
 (IN THOUSANDS, EXCEPT PER SHARE DATA)  
 (UNAUDITED)

	Three Months Ended, 3/31/05	3/31/04
	-----	-----
Sales:		
Products	\$ 34,183	\$ 22,471
Services	7,431	4,588
	-----	-----
Total sales	41,614	27,059
Cost of sales:		
Products	11,155	8,813
Services	3,196	2,410
	-----	-----
Total cost of sales	14,351	11,223
	-----	-----
Gross profit	27,263	15,836
Gross profit %	65.5%	58.5%
Operating costs and expenses:		
Selling, general, and administrative	14,204	10,243
Research and development	4,145	5,310
	-----	-----
Total operating costs and expenses	18,349	15,553
	-----	-----
Income from operations	8,914	283
Other income, net	723	606
	-----	-----
Income before income taxes	9,637	889
Income tax expense	533	36
	-----	-----
Net income	\$ 9,104	\$ 853
	=====	=====
Net income per share -		
Basic	\$ 0.26	\$ 0.03
	=====	=====
Diluted	\$ 0.25	\$ 0.02
	=====	=====
Weighted average shares used to compute net income per share -		
Basic	34,517	33,282
	=====	=====
Diluted	37,021	34,137
	=====	=====

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

	(Unaudited) 3/31/05	12/31/04 (a)
	-----	-----
Assets		
Current assets:		
Cash and cash equivalents	11,025	5,771
Investments	138,427	126,267
Accounts receivable, net	31,407	35,443
Inventory	7,566	5,966
Prepays	3,945	3,032
Restricted cash	319	205
	-----	-----
Total current assets	192,689	176,684
Property and equipment, net	26,857	27,065
Restricted cash	-	319
Intangible assets, net	5,755	6,221
Goodwill	143,332	143,332
Other assets	567	608
	-----	-----
Total assets	\$ 369,200	\$ 354,229
	=====	=====
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	6,482	4,485
Accrued compensation and employee benefits	5,907	10,321

Deferred revenue	16,862	15,372
Restructuring accrual	462	541
Other accrued liabilities	8,181	7,057
Current portion of notes payable	347	609
	-----	-----
Total current liabilities	38,241	38,385
Deferred revenue	420	505
Other accrued liabilities	342	407
Stockholders' equity		
Common stock	35	34
Preferred stock	-	-
Additional paid-in capital	437,315	430,362
Accumulated deficit	(105,964)	(114,936)
Treasury stock	-	(136)
Accumulated other comprehensive loss	(1,189)	(392)
	-----	-----
Total stockholders' equity	330,197	314,932
	-----	-----
Total liabilities and stockholders' equity	\$ 369,200	\$ 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:

Ben Gong  
408-523-2175

Sarah Norton  
408-523-2161