



Intuitive Surgical Announces \$12.1 Million First Quarter Revenue; 12 da Vinci Systems Sold; Quarter Highlighted by FDA Thoracoscopic Clearance

April 24, 2001

MOUNTAIN VIEW, Calif.--(BUSINESS WIRE)--April 24, 2001--Intuitive Surgical, Inc. (Nasdaq:ISRG), the leader in precision surgical robotics, today reported sales of \$12.1 million in the first quarter of 2001, up 312% from \$2.9 million in sales reported in the first quarter of 2000. Sales increased by \$1.4 million, or 13%, compared with \$10.7 million reported in the fourth quarter 2000. The sale and installation of 12 da Vinci(TM) Surgical Systems drove first quarter of 2001 revenue growth, compared with 3 da Vinci(TM) Surgical Systems in the first quarter of 2000 and 11 da Vinci(TM) Surgical Systems in the fourth quarter of 2001.

First quarter 2001 sales in all product groups reached new quarterly highs. Total first quarter systems sales were \$10.9 million, instruments and accessories \$0.9 million, and service \$0.3 million. During the first quarter, Intuitive continued to lay the foundation for continued instrument and accessory revenue growth. Intuitive grew the installed base of da Vinci(TM) Surgical Systems to 52, trained a record 74 surgeons, expanded the field organization to 38, and obtained additional FDA clearance for use in thoracoscopic cases.

During the quarter the U.S. Food and Drug Administration (FDA) cleared Intuitive's da Vinci(TM) Surgical System for use in non-cardiac thoracoscopic surgical procedures in the United States. As a result of this FDA clearance, US hospitals could immediately begin using the da Vinci(TM) Surgical System to perform surgical procedures in the chest cavity. This approval brought Intuitive one step closer to achieving full US cardiac approval. Since the FDA clearance on March 5, six US hospitals have performed internal mammary artery (IMA) takedown procedures.

Intuitive's gross margin for the first quarter of 2001 was 46%, compared with 14% for the first quarter of 2001 and 41% for the fourth quarter of 2000, excluding the impact of non-routine Q4 2000 royalty charges. Gross margin improvement resulted largely from increased sales and improved manufacturing efficiency.

Net loss for the first quarter of 2001 was \$3.4 million, compared to a net loss of \$5.0 million for the first quarter of 2000 and \$4.0 million for the fourth quarter of 2000, excluding the impact of Q4 2000 non-routine royalty charges. Basic and diluted net loss per share was \$0.10, compared to a net loss per share of \$0.90 for the first quarter of 2000 and \$0.11 for the fourth quarter of 2000, excluding the impact of non-routine royalty charges.

Intuitive has steadily grown the business since its introduction of the da Vinci(TM) Surgical System. Trended financial highlights over the past five quarters are summarized below:

	Q100	Q200	Q300	Q400*	Q101	
Sales (\$Millions)		\$2.9	\$5.1	\$7.9	\$10.7	\$12.1
Systems Sold		3	6	8	11	12
Gross Profit %		14%	32%	40%	41%	46%
Net Loss		(\$5.0)	(\$4.5)	(\$4.0)	(\$4.0)	(\$3.4)
EPS		(\$0.90)	(\$0.23)	(\$0.12)	(\$0.11)	(\$0.10)
EPS Shares (\$Millions)		5.6	19.8	34.7	35.1	35.4

* Excludes non-routine royalty charge of \$1 million.

Commenting on the announcement, Lonnie Smith, President and CEO of Intuitive Surgical said, "We are very pleased with our first quarter financial results and continued revenue growth. As the surgical robotics industry has continued to develop, we have established ourselves as the clear market leader. We now have an installed base of over 50 da Vinci(TM) Surgical Systems and a growing community of trained and experienced surgeons that continue to expand system usage."

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 888/566-5773 for U.S. calls and 212/519-0802 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.

Note to Editors: 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, 2001	March 31, 2000
Sales	12,079	2,933
Cost of sales	6,563	2,532
Gross profit	5,516	401
Operating costs and expenses:		
Research and development	3,231	2,631
Selling, general and administrative	6,835	3,138
Total operating costs and expenses	10,066	5,769
Loss from operations	(4,550)	(5,368)
Interest income/(expense)	1,143	336
Net loss	\$ (3,407)	\$ (5,032)
Weighted average shares outstanding used to compute net loss per share	35,401	5,574
Loss per share - basic and diluted	\$ (0.10)	\$ (0.90)

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

	March 31, 2001	December 31, 2000
Assets		
Current assets:		
Cash, cash equivalents and short-term investments	76,916	89,441
Accounts receivable, net	10,266	6,444
Inventories, net	6,523	6,076
Prepaid expenses	1,606	1,705
Total current assets	95,311	103,666
Property and equipment, net	5,803	4,669
Other assets	3,892	4,086
Total assets	105,006	112,421
Liabilities and stockholders' equity		
Current Liabilities:		
Accounts payable	5,540	7,128
Accrued compensation and employee benefits	1,452	2,609
Warranty provision	1,543	1,494
Accrued liabilities	1,699	3,028
Deferred revenue	2,340	3,552
Current portion of notes payable	2,072	2,019
Total current liabilities	14,646	19,830
Notes payable	1,473	1,861
Stockholders' equity		

Common stock	36	36	
Additional paid-in capital	187,407	186,713	
Deferred compensation	(1,866)	(2,483)	
Accumulated deficit	(97,077)	(93,670)	
Accumulated other comprehensive income		387	134
Total stockholders' equity	88,887	90,730	

Total liabilities and stockholders' equity 105,006 112,421

CONTACT: Intuitive Surgical, Inc.

Ben Gong, 650/237-7075

Sarah Norton, 650/237-7191