
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: July 22, 2008
(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.)

1266 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))
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Item 2.02. Results of Operations and Financial Condition.

On July 22, 2008, Intuitive Surgical, Inc. (“Intuitive”) issued a press release announcing its financial results for the quarter ended June 30, 2008. A copy of the press release is attached hereto as Exhibit 99.1.

The information in this Current Report, including Exhibit 99.1, shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities under that Section and shall not be deemed to be incorporated by reference into any filing of Intuitive under the Securities Act of 1933 or the Exchange Act.

Item 9.01. Financial Statements and Exhibits.

d) Exhibits.

The following exhibit is furnished with this report on Form 8-K:

99.1 Press release issued by Intuitive Surgical, July 22, 2008.

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: July 22, 2008

By /s/ Marshall L. Mohr

Name: Marshall L. Mohr

Title: Senior Vice President and
Chief Financial Officer

EXHIBIT INDEX

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release issued by Intuitive Surgical, July 22, 2008

FOR IMMEDIATE RELEASE

Contacts: Ben Gong 408-523-2175
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INTUITIVE SURGICAL ANNOUNCES \$219.2 MILLION SECOND QUARTER REVENUE, UP 56%

SUNNYVALE, CALIF. July 22, 2008 – Intuitive Surgical, Inc. (NASDAQ: ISRG), the industry leader in surgical robotics, today reported second quarter 2008 revenue of \$219.2 million, increasing 56% from \$140.2 million for the second quarter of 2007. Second quarter 2008 revenue growth was driven by continued robotic procedure adoption and higher *da Vinci*® Surgical System sales.

Second quarter 2008 instruments and accessories revenue increased 61% to \$73.6 million from \$45.8 million during the second quarter of 2007. Second quarter 2008 *da Vinci*® Surgical Systems revenue increased 57% to \$116.2 million from \$74.1 million during the second quarter of 2007. Second quarter 2008 service and training revenue increased 44% to \$29.4 million from \$20.3 million during the second quarter of 2007.

<u>Revenue (\$Millions)</u>	<u>Three Months Ended</u>			<u>Six Months Ended</u>		
	<u>2008</u>	<u>2007</u>	<u>Increase</u>	<u>2008</u>	<u>2007</u>	<u>Increase</u>
Instruments/Accessories	\$ 73.6	\$ 45.8	\$ 27.8	\$135.5	\$ 86.1	\$ 49.4
Systems	116.2	74.1	42.1	215.3	130.3	85.0
Service/Training	29.4	20.3	9.1	56.6	38.1	18.5
	<u>\$219.2</u>	<u>\$140.2</u>	<u>\$ 79.0</u>	<u>\$407.4</u>	<u>\$254.5</u>	<u>\$152.9</u>

Second quarter 2008 operating income increased 74% to \$78.2 million, compared with \$45.0 million for the second quarter of 2007. Operating results for the second quarter of 2008 included \$19.7 million of non-cash stock-based compensation expense in accordance with the Financial Accounting Standards Board SFAS 123R, compared with \$9.4 million for the second quarter of 2007.

Second quarter 2008 net income increased 67% to \$51.2 million, compared with \$30.7 million for the second quarter of 2007. Diluted earnings per share increased to \$1.28 for the second quarter of 2008 from \$0.79 for the second quarter of 2007.

Intuitive ended the second quarter of 2008 with cash, cash equivalents and investments of \$740 million, up \$104 million from December 31, 2007.

Commenting on the announcement, Lonnie Smith, Chairman and CEO of Intuitive Surgical, said, “We are pleased with our second quarter revenue and earnings growth. These results reflect the continued adoption of the da Vinci Surgical System platform across a broadening group of surgical procedures.”

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, high definition 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.

Intuitive[®], **da Vinci**[®], **da Vinci**[®] S[™], **InSite**[®], and **EndoWrist**[®] are trademarks or registered trademarks of Intuitive Surgical, Inc.

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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.
UNAUDITED CONSOLIDATED STATEMENTS OF INCOME
(IN THOUSANDS, EXCEPT PER SHARE DATA)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2008	2007	2008	2007
Revenue:				
Products	\$ 189,780	\$ 119,885	\$ 350,731	\$ 216,334
Services	29,409	20,364	56,652	38,144
Total revenue	<u>219,189</u>	<u>140,249</u>	<u>407,383</u>	<u>254,478</u>
Cost of revenue:				
Products	50,036	35,656	94,888	64,762
Services	13,097	10,485	26,632	19,100
Total cost of revenue *	<u>63,133</u>	<u>46,141</u>	<u>121,520</u>	<u>83,862</u>
Gross profit	156,056	94,108	285,863	170,616
Operating expenses:				
Selling, general and administrative	57,504	38,883	106,138	72,828
Research and development	20,357	10,192	36,658	18,416
Total operating expenses *	<u>77,861</u>	<u>49,075</u>	<u>142,796</u>	<u>91,244</u>
Income from operations	78,195	45,033	143,067	79,372
Interest and other income, net	5,707	5,232	14,248	9,840
Income before income taxes	83,902	50,265	157,315	89,212
Provision for income taxes	32,720	19,602	61,352	34,747
Net Income	<u>\$ 51,182</u>	<u>\$ 30,663</u>	<u>\$ 95,963</u>	<u>\$ 54,465</u>
Earnings per share:				
Basic	<u>\$ 1.32</u>	<u>\$ 0.81</u>	<u>\$ 2.48</u>	<u>\$ 1.45</u>
Diluted	<u>\$ 1.28</u>	<u>\$ 0.79</u>	<u>\$ 2.40</u>	<u>\$ 1.41</u>
Shares used in computing earnings per share:				
Basic	<u>38,773</u>	<u>37,636</u>	<u>38,677</u>	<u>37,463</u>
Diluted	<u>39,980</u>	<u>38,657</u>	<u>39,914</u>	<u>38,528</u>

* Includes stock compensation expense of \$2.9 million and \$1.5 million in total cost of revenue and \$16.8 million and \$7.8 million in total operating expenses for the three months ended June 30, 2008 and 2007, respectively; \$5.2 million and \$2.7 million in total cost of revenue and \$29.1 million and \$14.8 million in total operating expenses for the six months ended June 30, 2008 and 2007, respectively.

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

	<u>6/30/2008</u>	<u>12/31/07</u>
Cash, cash equivalents, and investments	\$ 739,782	\$ 635,381
Accounts receivable, net	162,088	130,370
Inventory	42,594	32,416
Property and equipment, net	94,568	68,093
Goodwill	110,740	110,740
Deferred tax assets	32,459	24,577
Other assets	49,156	38,421
Total assets	<u>\$ 1,231,387</u>	<u>\$ 1,039,998</u>
Accounts payable and other accrued liabilities	\$ 91,347	\$ 96,632
Deferred revenue	66,053	54,692
Total liabilities	157,400	151,324
Stockholders' equity	1,073,987	888,674
Total liabilities and stockholders' equity	<u>\$ 1,231,387</u>	<u>\$ 1,039,998</u>