

INTUITIVE
SURGICAL®



Investor Presentation - November 2005

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SURGICAL®

Forward Looking Statement

These slides accompany an oral presentation by Intuitive Surgical, Inc., which contains forward-looking statements. Actual results may differ materially from those expressed or implied as a result of certain risks and uncertainties. These risks and uncertainties are described in detail in the Company's Securities and Exchange Commission filings.

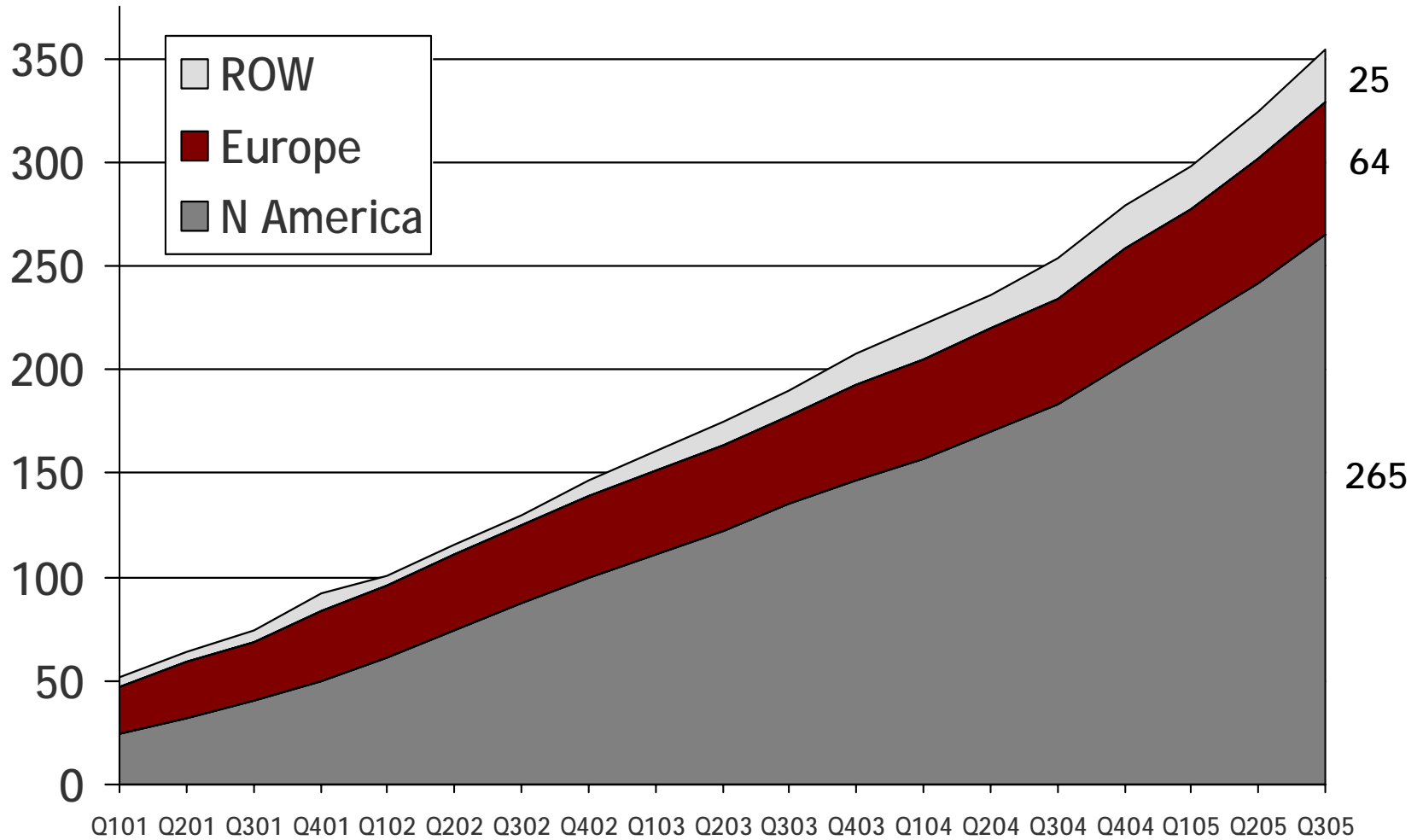


Corporate Overview

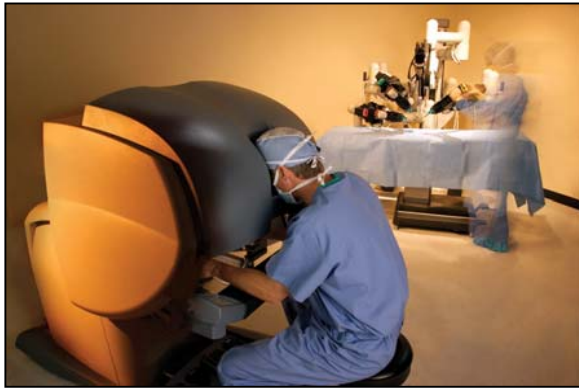
- Founded in 1995, IPO 2000
- 6 Years of da Vinci System Sales
- \$138.8M 2004 Revenue, up 51% from 2003
- 354 da Vinci System Base as of 9/30/05
- Over 70% Sold to Community Hospitals
- Primary Markets:
 - Urology, Cardiac, General Surgery, Gynecology
- Successfully acquired Computer Motion



da Vinci System Base



Recurring Revenue Model



da Vinci[®] Surgical System
\$1+ Million



Instruments &
Accessories
\$1500-\$2000
per Procedure



Service
Agreement
\$100K per Year

Regulatory - FDA Clearances

- July 2000 - Laparoscopic Surgery
- March 2001 - Thoracoscopic Surgery
- May 2001 - Radical Prostatectomy
- November 2002 - Cardiotomy
- July 2004 - Cardiac Revascularization
- March 2005 - Broad Urology
- April 2005 - Gynecology
- June 2005 - Pediatric Surgery

Additional specific procedures within broad clearances are self-registered via a memo to file



da Vinci Procedures

Urology

Radical Prostatectomy
Pyeloplasty
Uretetro Transplant
Donor Nephrectomy
Nephrectomy
Ureterolithotomy
Adrenalectomy
Cystocele Repair
Excision of Renal Cyst
Lymphadenectomy
Testicular Resection
Renal Cyst Decortication
Sacral Colpopexy
Nephropexy
Pelvic Lymphadenectomy
Ureterectomy
Rectocele Repair
Varicocele
Ureteroplasty
Ureteral Implantation
Vaso-vasostomy

Cardiac

Single Vessel Beating Heart Bypass
Multi-Vessel Beating Heart Bypass
Single Vessel Arrested Heart Bypass
Multi-Vessel Arrested Heart Bypass
IMA Harvesting
Bilateral IMA Harvesting
Coronary Anastomosis
Atrial Septum Aneurysm
Subrenal Aorta Aneurysm
Atrial Septal Defect Repair
Mitral Valve Repair & Replacement
Tricuspid Valve Repair
Thrombectomy
Pericardial Window
Lobectomy
Pneumonectomy
Abdominal Aortic Aneurysm
Aortic Femoral Bypass
Pacemaker Lead Implantation
Mediastinal Resection
Pulmonary Wedge Resection

OB/GYN

Hysterectomy
Myomectomy
Colposuspension (Burch)
Dermoid Cyst
Endometrial Ablation
LAVH
Oophorocystectomy
Oophorectomy
Ovarian Cystectomy
Ovarian Transposition
Removal of Fibroids
Salpingectomy
Salpingo-Oophorectomy
Tubal Ligation
Tubal Reanastomosis
Tubalplasty
Vaginal Prolapse Repair

General

Nissen Fundoplication
Cholecystectomy
Hernia Repair
Lysis of Adhesions
Arteriovenous Fistula
Toupet
Esophageal Achalasia
Esophago-gastectomy
Adrenalectomy
Gastric Bypass
Colon Resection
Pyloroplasty
Heller Myotomy
Gastroplasty
Appendectomy
Intra-rectal Surgery
Sigmoidectomy
Bowel Resection
Lumbar Sympathectomy
Ventral Hernia
Splenectomy
Hemi-Colectomy

The preceding is a representative list of procedures Intuitive Surgical customers have reportedly performed using the da Vinci Surgical System. It includes procedures not covered by Intuitive Surgical's U.S. FDA clearances. This list is intended to illustrate reported use only and should not be interpreted as promotion of off-label use of the da Vinci System.

Target Procedures

dVP

da Vinci™ Prostatectomy

da Vinci™ Mitral Valve Repair

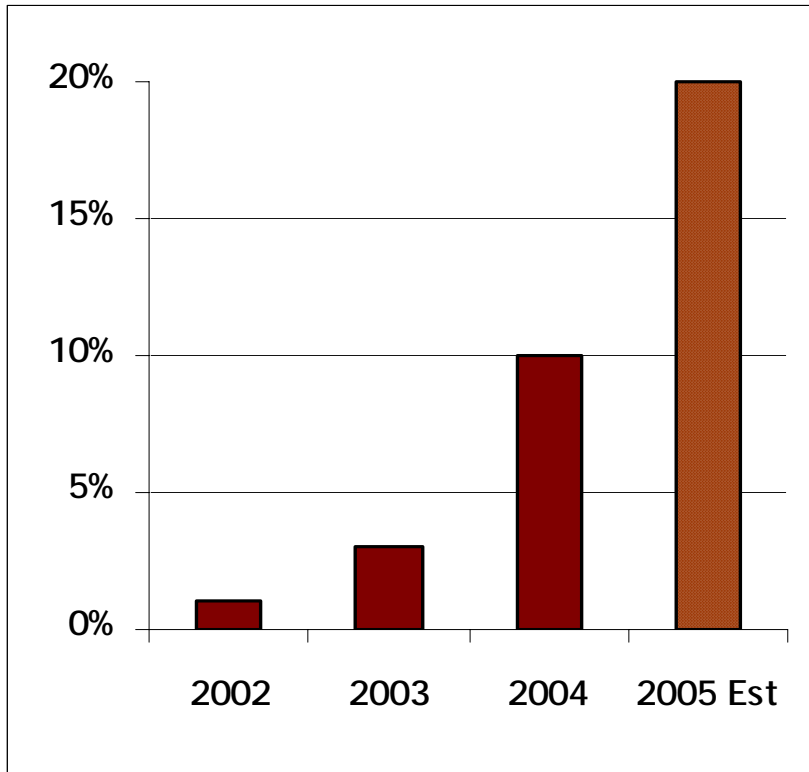
da Vinci™ Revascularization

da Vinci™ Hysterectomy



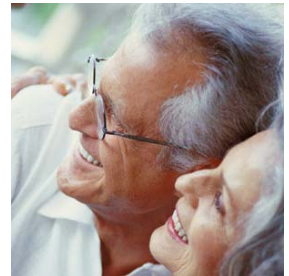
dVP Adoption

US Market Share



Improved Clinical Outcomes Reported

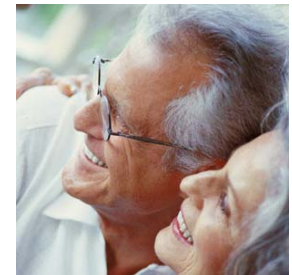
- Cancer Removal
- Potency
- Continence
- Blood Loss
- Pain
- Complications



Proven dVP Clinical Benefits

Comparison of Open Prostatectomy and Robotic dVP

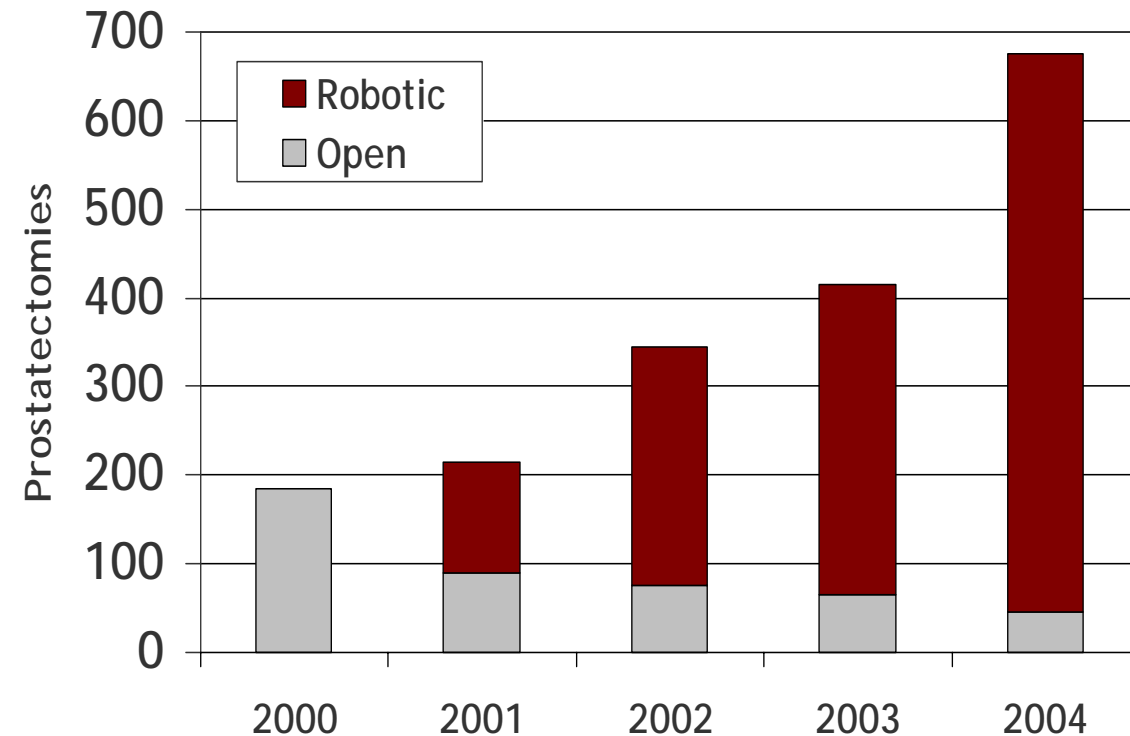
<u>Variable</u>	<u>Test</u>	<u>Open</u>	<u>dVP</u>	<u>Best Reported</u>
Cancer Removal	Neg Margins	76%	94%	98%
Continence (6 Months)	No Pads	60%	96%	80%
Potency (6 Months)	Intercourse	33%	66%	56%
Safety	No Complications	85%	98%	94%
Pain	Score (1 -10)	7	3	7
Blood Loss	No Transfusion	89%	100%	98%
SCORE	600 = 100%	373 - 62%	524 - 87%	456 - 76%



Source: Menon, *Urology*. 2003. 61: 15-20



dVP Economic Impact



"The opportunity for increased revenue, market share, and surgical volume is very substantial. We have had a very positive return on investment."

Nancy M. Schlichting
President and CEO
Henry Ford Health System
Detroit, Michigan

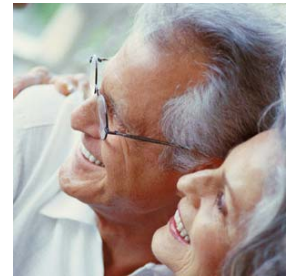
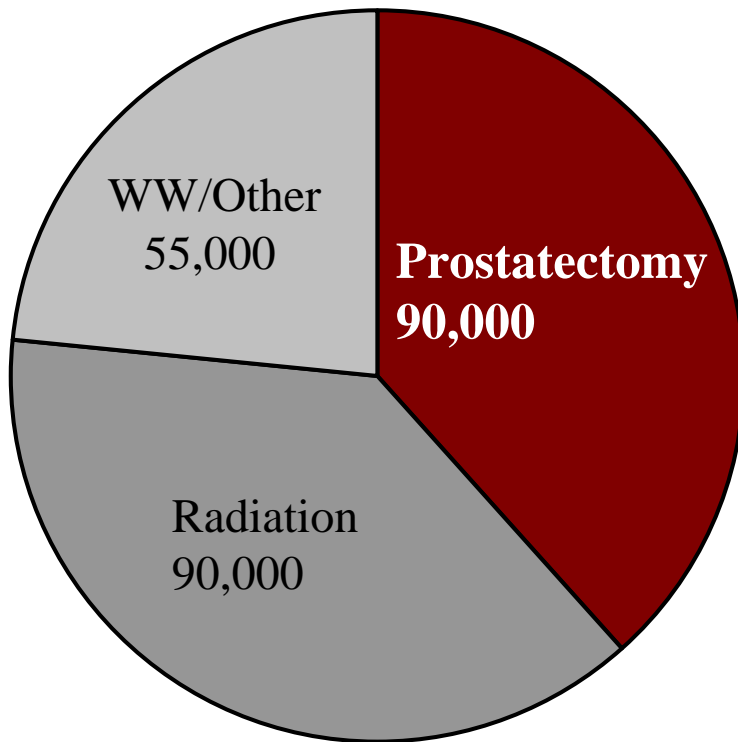


2005 Forecast is 800+ dVP's



dVP Market Potential

2005 New US Cases of Prostate Cancer: 235,000



US Market (120,000 dVP's)

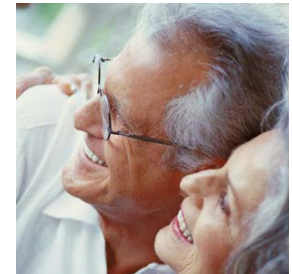
Inst & Accy	\$210M
Service	\$100M
Systems	<u>\$143M</u>
	\$453M



Proven Clinical Benefits - Mitral Valve Repair

Comparison of relevant clinical variables for Mitral Valve repair: Sternotomy vs. *da Vinci*® Surgical System

<u>Variable</u>	<u>2001 STS Database</u>	<u>ISI Trial</u>	<u>Customer Post LC</u>
Number	893	112	15
Mortality	2.2%	0.0%	0.0%
Major Complications	13.1%	9.8%	0.0%
Cross Clamp Time (Minutes)	85.5	124.1	81
CPB (Minutes)	121	168	119
Post Op LOS (Days)	8.5	4.7	1.7

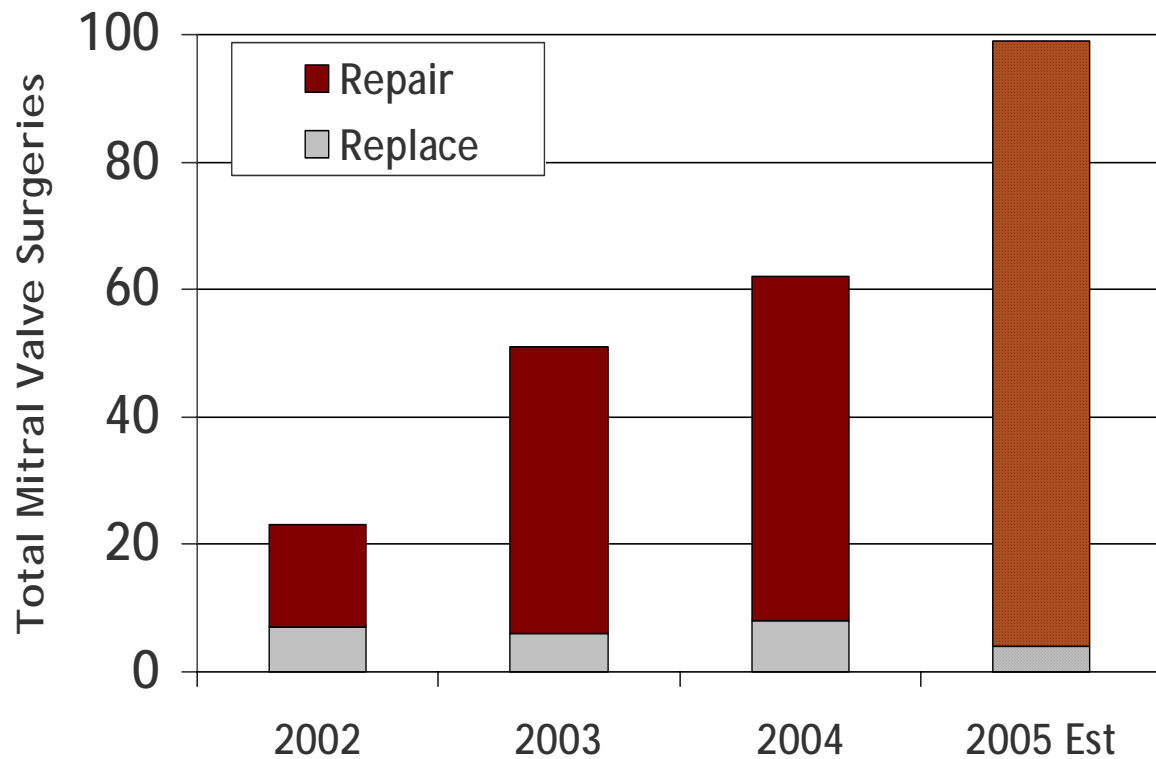


* 8 Patients released in under 24 hours

Source: Tatoes, et al., *Annals of Thoracic Surgery*, 2004; 77:1978-84



Mitral Valve Patient Value

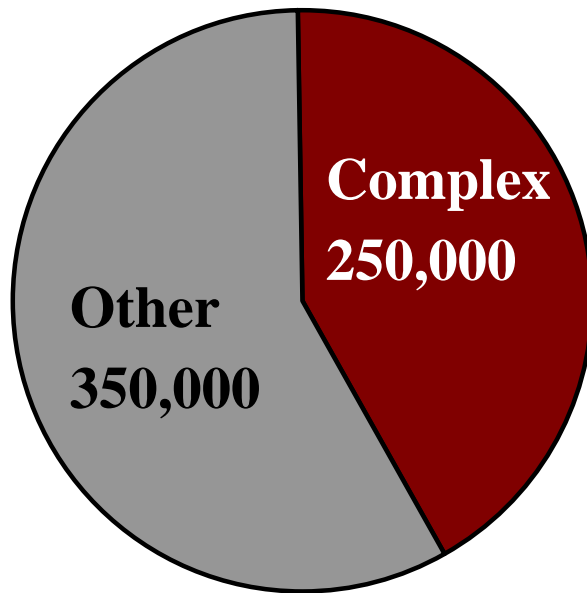


Doug Murphy, M.D.
Chief of Cardiovascular Surgery
St. Joseph's Hospital - Atlanta



Hysterectomy Potential

2005 Total US Hysterectomies: 600,000



Upcoming Gynecology Event

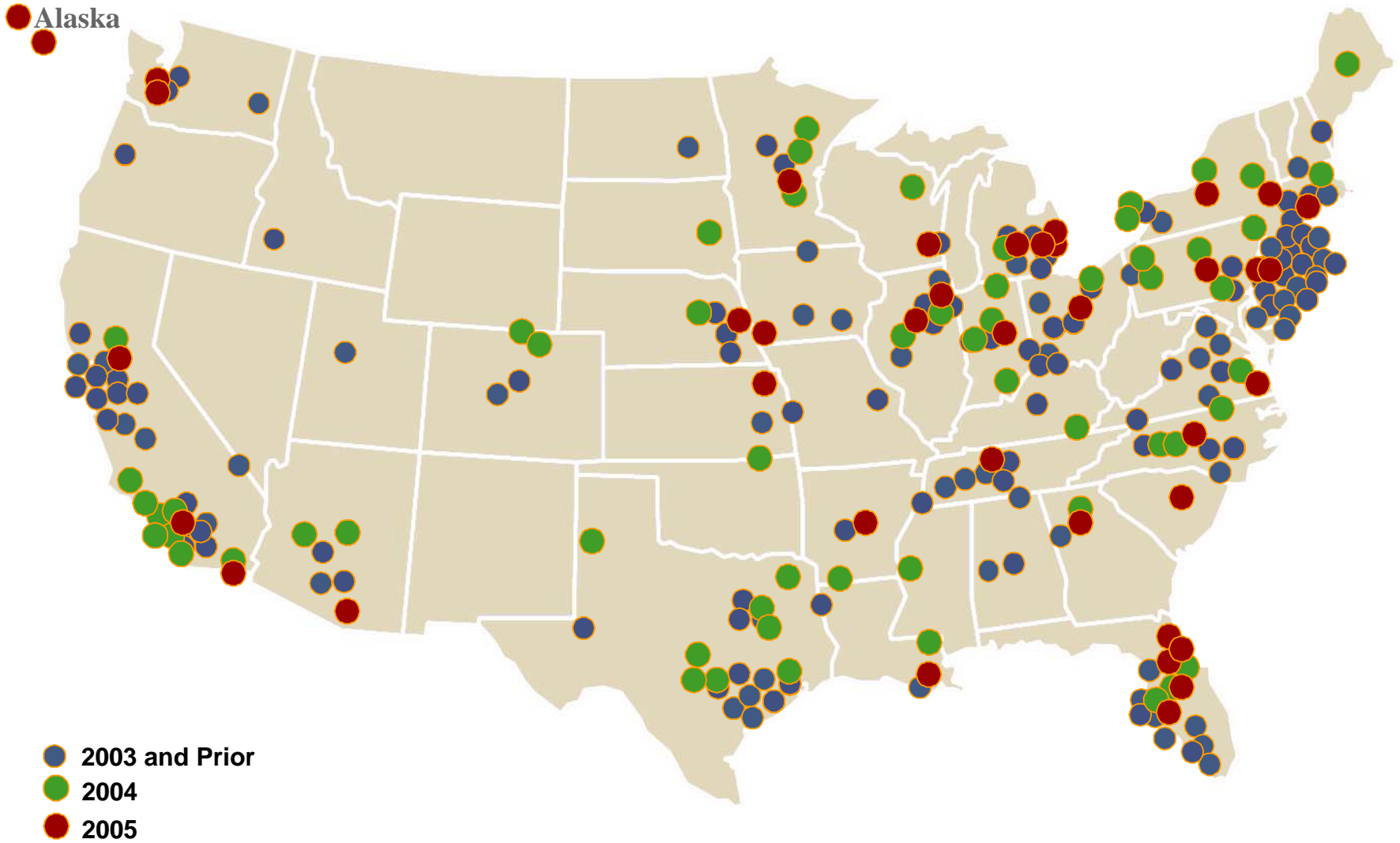


AAGL 24th Annual Meeting

- November 9–12
- Chicago, Illinois



da Vinci® Surgical System Installed Base 1999 - 2005

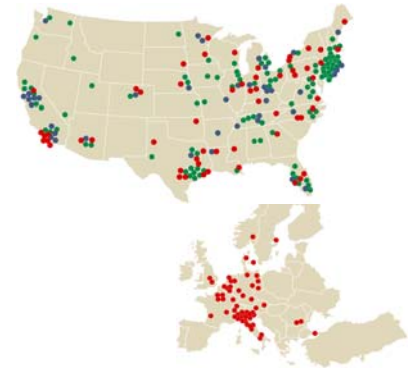


Robotic Surgery Market Potential

US Centers	1,000
ROW Centers	<u>500</u>
Total Centers	1,500
X Systems / Center	<u>3</u>
Total Installed Base	4,500

X Recurring Revenue/System \$538K

**Total Annual Recurring Revenue
Market - \$2.4 Billion**

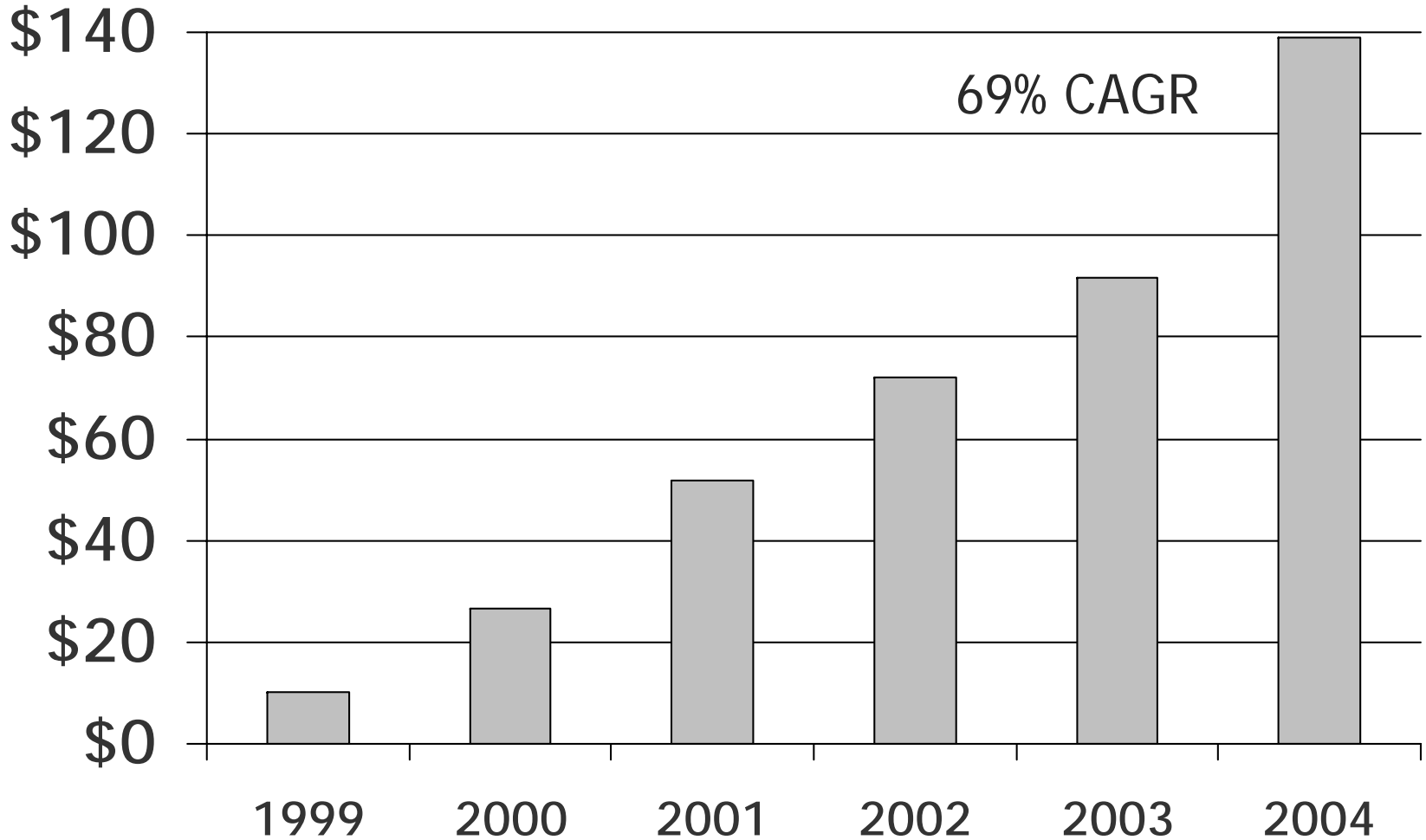


Value Proposition

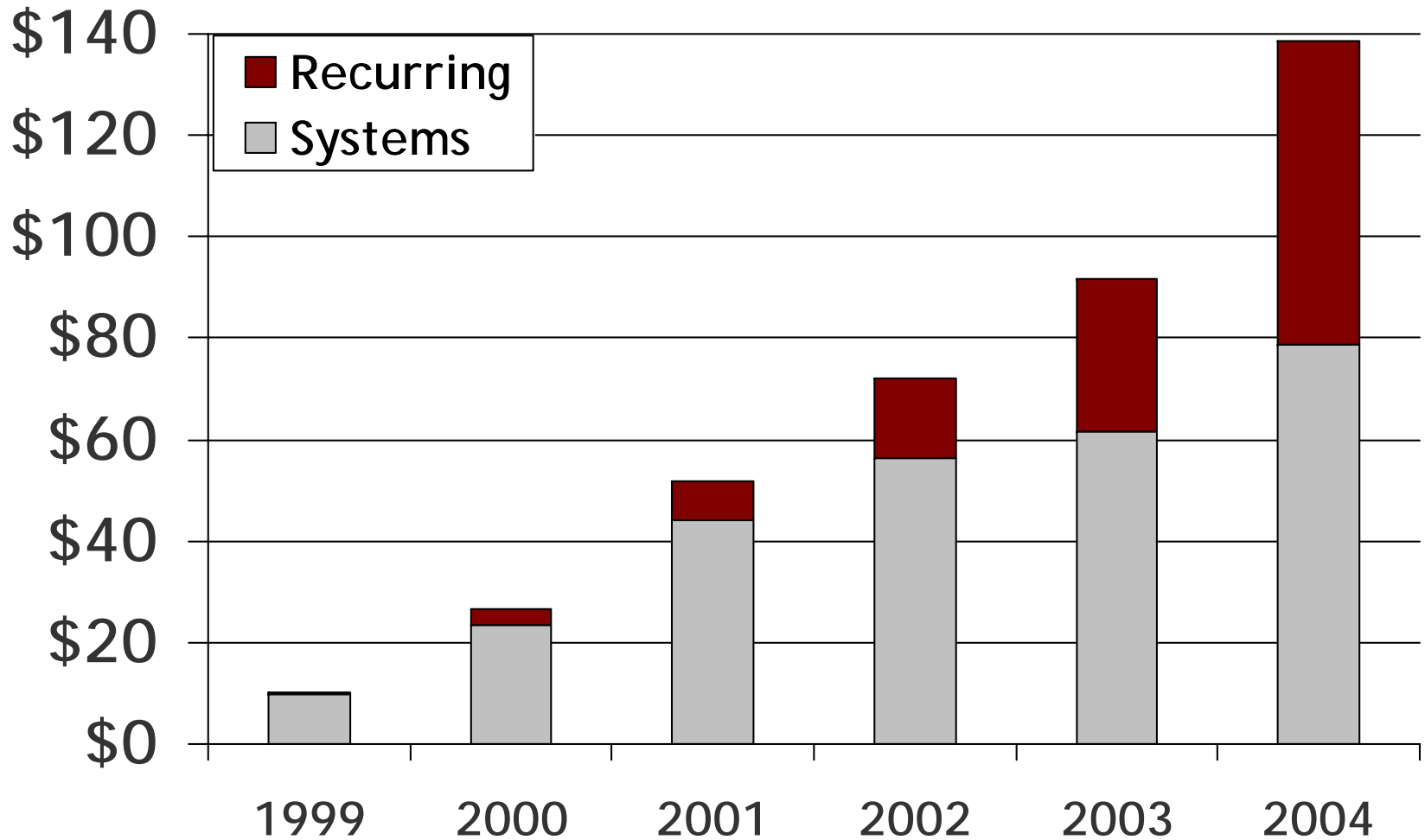
- Benefits to the Surgeon
 - Perform currently open procedures MIS
 - Reduce Operative Time / Ergonomics
 - Grow Surgical Practice
- Benefits to the Patient
 - Improve results and recovery time
- Benefits to the Hospital
 - Drive Incremental Patients
 - Reduce costs: complications and LOS
 - Create additional capacity



Revenue Trend



Revenue Trend



Income Statement Trend

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	Q3YTD <u>2005</u>
Sales	\$51.7	\$72.0	\$91.7	\$138.8	\$155.2
Gross Profit %	41.6%	47.1%	48.0%	63.4%	67.6%
SG&A Expense	28.0	37.3	39.7	49.0	46.7
R&D Expense	13.9	16.8	16.2	17.8	13.1
Operating Income	(20.4)	(20.2)	(11.9)	21.2	45.3
Operating Margin %	-39.5%	-28.1%	-13.0%	15.3%	29.2%
EPS	(\$0.93)	(\$1.01)	(\$0.41)	\$0.67	\$1.19



2005 Forecast

▪ Revenue Growth

- Overall 55-60%
- Instrument/Accessory 75-80%
- Service/Training Approx 55%
- Systems Approx 50%

- Gross Profit Percentage 67-68%

- Operating Income Growth Approx 200%

Reported Income Tax Rate

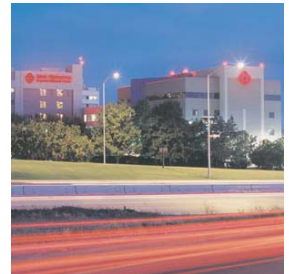
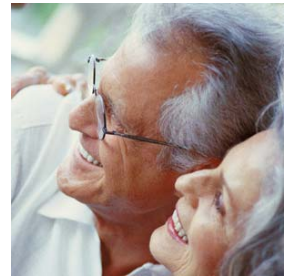
2005: YTD – 7.8% Q4 - Credit to Recognize a portion of deferred tax asset

2006: Fully Taxed 35-40%



Balance Sheet Highlights

- \$189.4 million in cash - No debt
 - Up \$57.4 million YTD 2005
 - \$44.1 million YTD 2005 cash flow from operations
 - \$6.0 million YTD 2005 capital purchases
- \$43.8 million accounts receivable
 - 65 average days sales outstanding
- \$12.2 million net inventory
 - 6.1 turns
- \$20.9 million deferred revenue



Corporate Assets

- \$189.4 million Cash
- Own Robotic Surgery Category
- Rights to 260 US and Foreign Patents
- 354 da Vinci® System Base
- Established 150+ Field Sales and Support Team
- FDA Clearances – Laparoscopic, Thoracoscopic, Prostatectomy, Cardiomy, Revascularization, Urology, Gynecology, Pediatric
- 23 Training Centers

