

INTUITIVE
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IR Presentation

Based on Q4 results ended
December 31, 2007

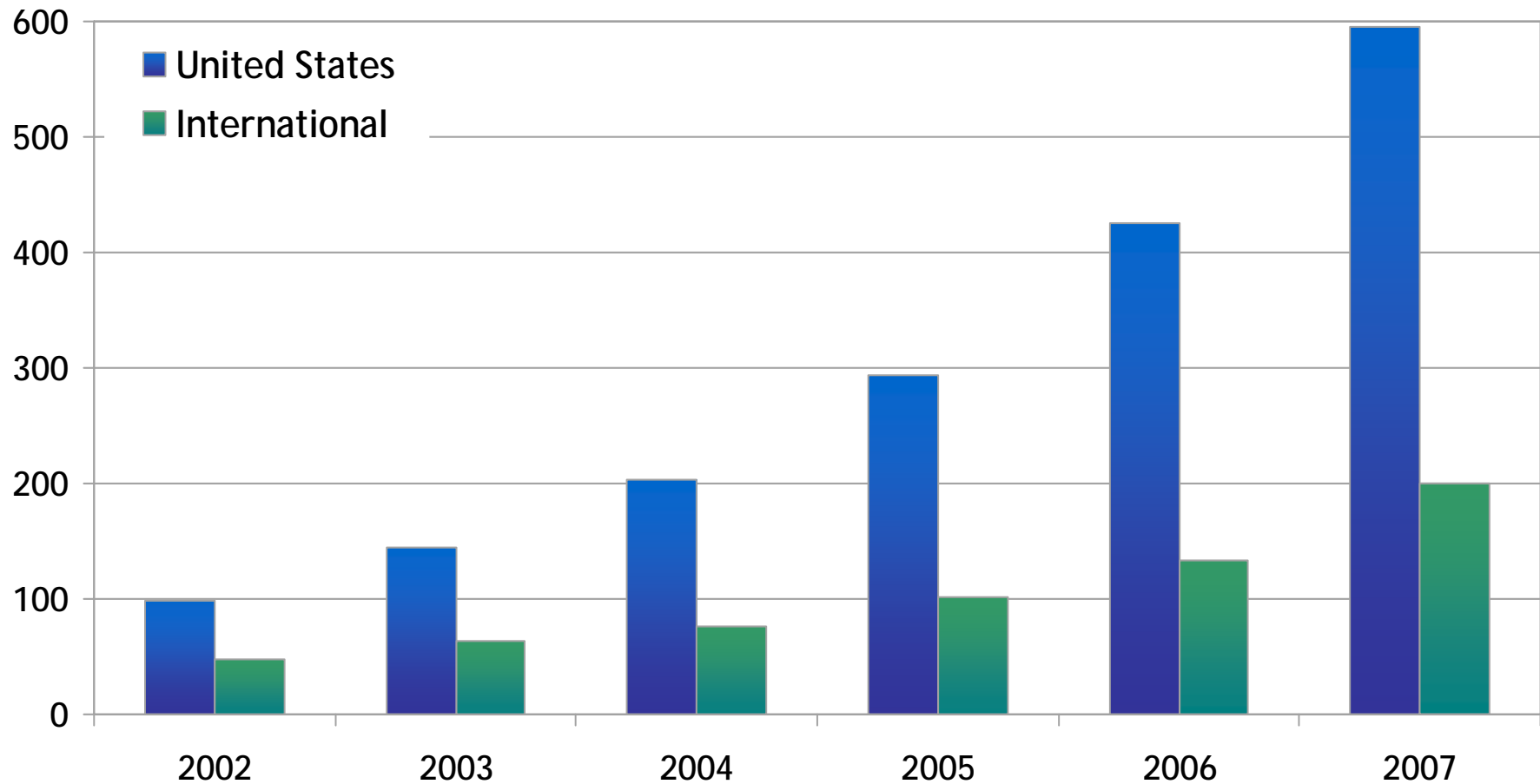
Forward Looking Statement

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

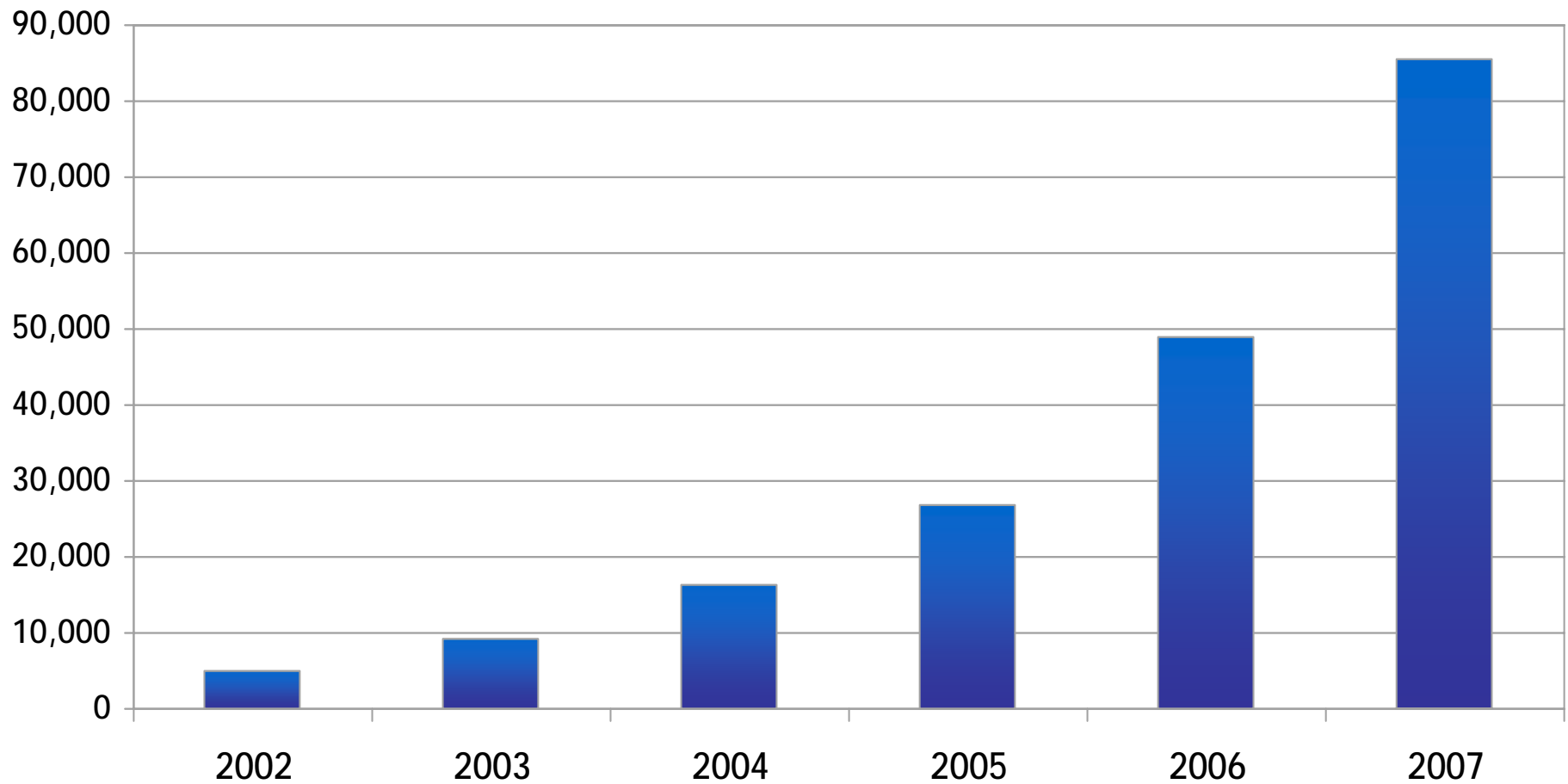
- Founded in 1995, IPO 2000
- 2007 Financial Results:
 - Revenue \$601M, up 61% from 2006, 3 consecutive years 60%+ growth
 - Operating profit \$207M, up 93% from 2006, 34.4% of sales
- 795 *da Vinci*[®] System base as of 12/31/07
 - 595 United States, 136 Europe, 64 Rest of World
- FDA Clearances - Laparoscopic, Thoracoscopic, Prostatectomy, Cardiotomy, Revascularization, Urology, Gynecology, Pediatric
- Target Markets- Urology, Gynecology, Cardiothoracic, General Surgery

da Vinci[®] System Installed Base



Based on Q4 Results ended 12/31/07

Annual Worldwide Procedures



Based on Q4 Results ended 12/31/07

Recurring Revenue Model



da Vinci[®] Surgical System

2007 ASP = \$1.33M

2007 Rev = \$324M



Instruments & Accessories

\$1,500-\$2,000
per procedure

2007 Rev = \$192M



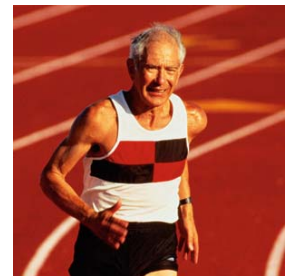
Annual Service Agreement

2007 ASP = \$133K

2007 Rev = \$85M

Adoption of *da Vinci*[®] Surgery is Driven by Patient Value

$$\text{Patient Value} = \frac{\text{Efficacy}}{\text{Invasiveness}}$$



da Vinci[®] Target Procedures

Urology

- *da Vinci*[®] Prostatectomy - dVP
 - dV Nephrectomy
 - dV Cystectomy
 - dV Pyeloplasty

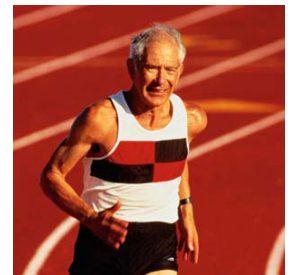
Gynecology

- *da Vinci*[®] Hysterectomy - dVH
 - dV Sacral Colpopexy
 - dV Myomectomy

Cardiothoracic

- *da Vinci*[®] Mitral Valve Repair
 - dV Revascularization

General Surgery



da Vinci[®] Prostatectomy

Reported Clinical Benefits of *da Vinci*[®] Procedures Versus Open

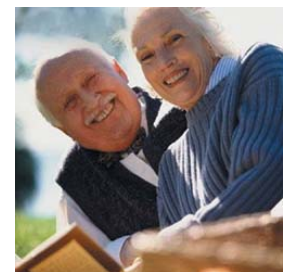
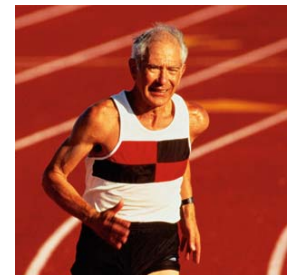
- Improved cancer control¹
- Increased continence²
- Enhanced sexual potency³
- Reduced pain³
- Reduced blood loss⁴

¹VR Patel. Urology Centers, Vestavia Hills, USA. Histopathologic Outcomes and Short Term PSA Data after Robotic Radical Prostatectomy. 500 Patients. Moderated Poster Session MP27, Wednesday, August 24, 2005. 23rd World Congress on Endourology and SWL 21st Basic Research Symposium August 23-26, 2005, Amsterdam, The Netherlands. J Endourol. 2005 Aug.; 19, Supplement 1: A135.

² T Ahlering. Continence: The UC Irvine Experience. Presented at UC Irvine's 2006 ART (Advanced Robotic Techniques) of Prostatectomy Symposium, January 5, 2006, Anaheim, California

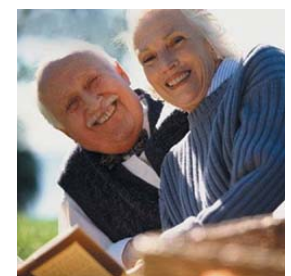
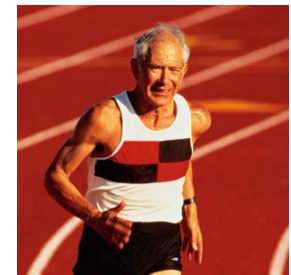
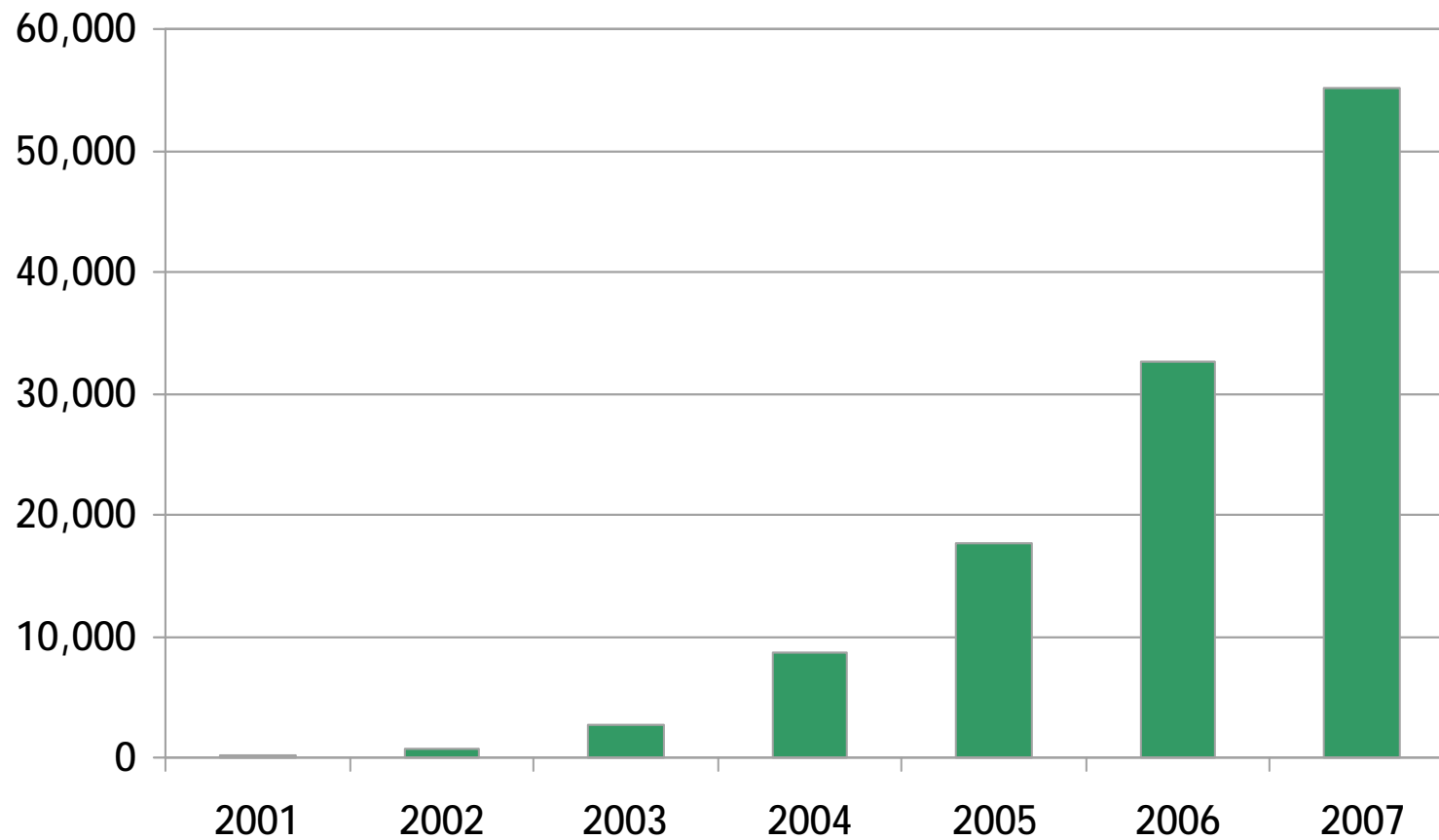
³ Menon M, Kaul S, Bhandari A, Shrivastava A, Tewari A, Hemal A. Potency following robotic radical prostatectomy: a questionnaire based analysis of outcomes after conventional nerve sparing and prostatic fascia sparing techniques. J Urol. 2005 Dec;174(6):2291-6, discussion 2296. p. 2293 fig. 2.

^{3, 4} Menon M, Tewari A, Peabody JO, Shrivastava A, Kaul S, Bhandari A, Hemal AK. Vattikuti Institute prostatectomy, a technique of robotic radical prostatectomy for management of localized carcinoma of the prostate: experience of over 1100 cases. Urol Clin North Am. 2004 Nov;31(4):701-17. Review.



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da Vinci[®] Prostatectomy Procedure Growth

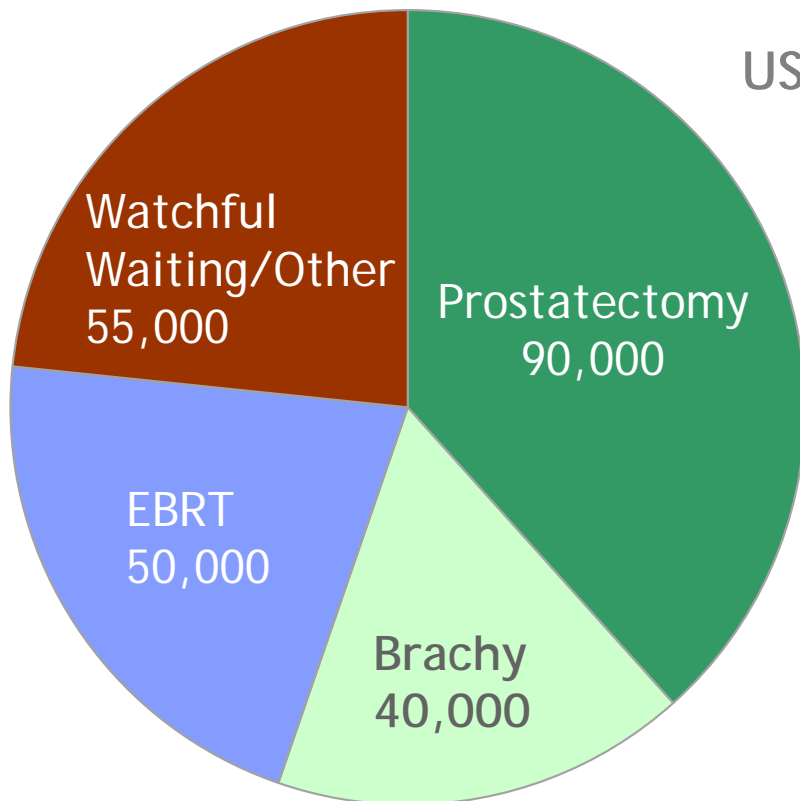


Based on Q4 Results ended 12/31/07

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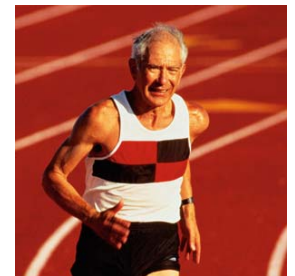
da Vinci[®] Prostatectomy Market Potential*

2007 Estimated US Cases of Prostate Cancer: 235,000



US Target Market (120K dVPs)

Inst & Acc.	\$210M
Service	\$135M
Systems	<u>\$186M</u>
	\$531M



*Based on Company estimates

da Vinci[®] Hysterectomy

Reported Clinical Benefits of *da Vinci*[®] Oncologic Procedures Versus Open

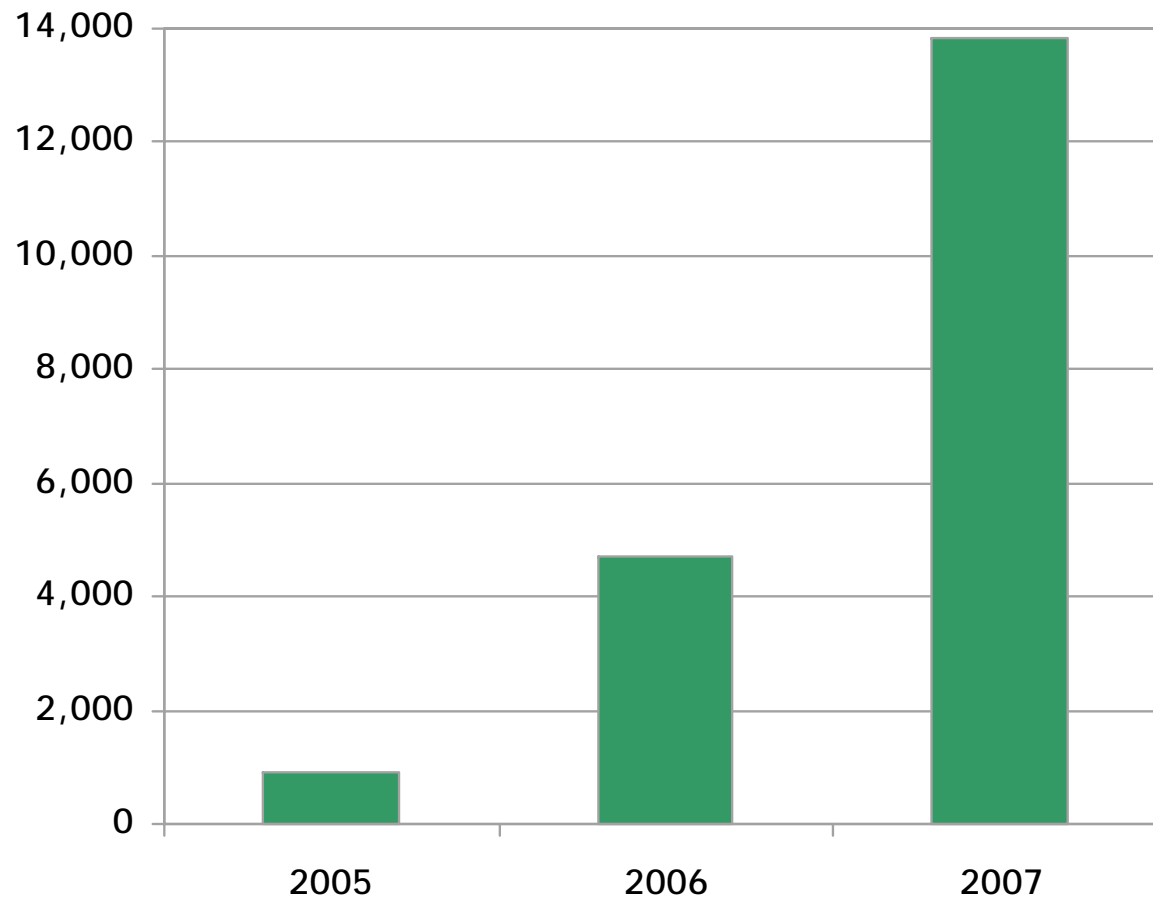
- Improved lymph node retrieval counts¹
- Reduced complications^{1,2}
- Reduced hospital length of stay^{1,2}
- Reduced blood loss^{1,2}

¹ Drs. Boggess and Schafer, University of North Carolina, presentation made at Society of Gynecologic Oncology Conference, held in San Diego, CA March 2007

² Dr. Rick Estape, University of Miami, presentation made at the 36th Global Congress of the AAGL, held in Washington DC November 2007.



da Vinci[®] Hysterectomy Procedure Growth



* Figures based on Company estimates.

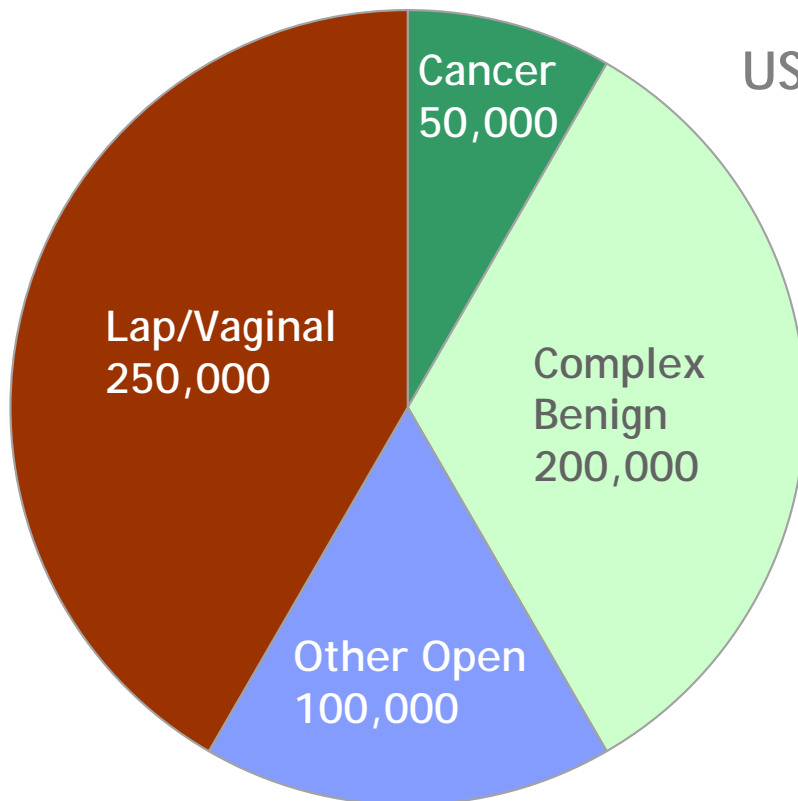
Based on Q4 Results ended 12/31/07



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da Vinci[®] Hysterectomy Market Potential*

2007 Estimated US Cases of Hysterectomies: 600,000



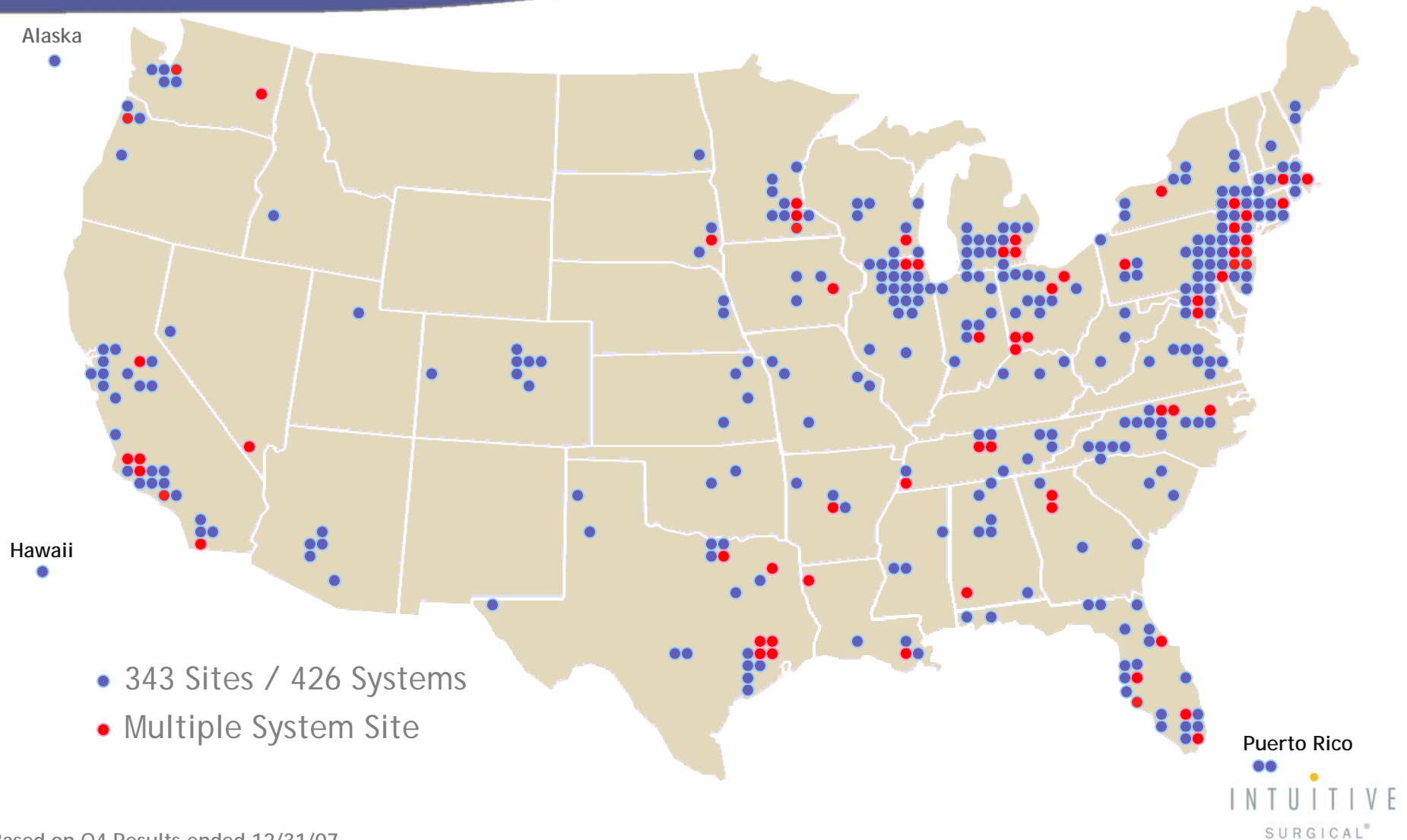
US Target Market (250K dVHs)

Inst & Acc.	\$437M
Service	\$270M
Systems	<u>\$371M</u>
	\$1,078M



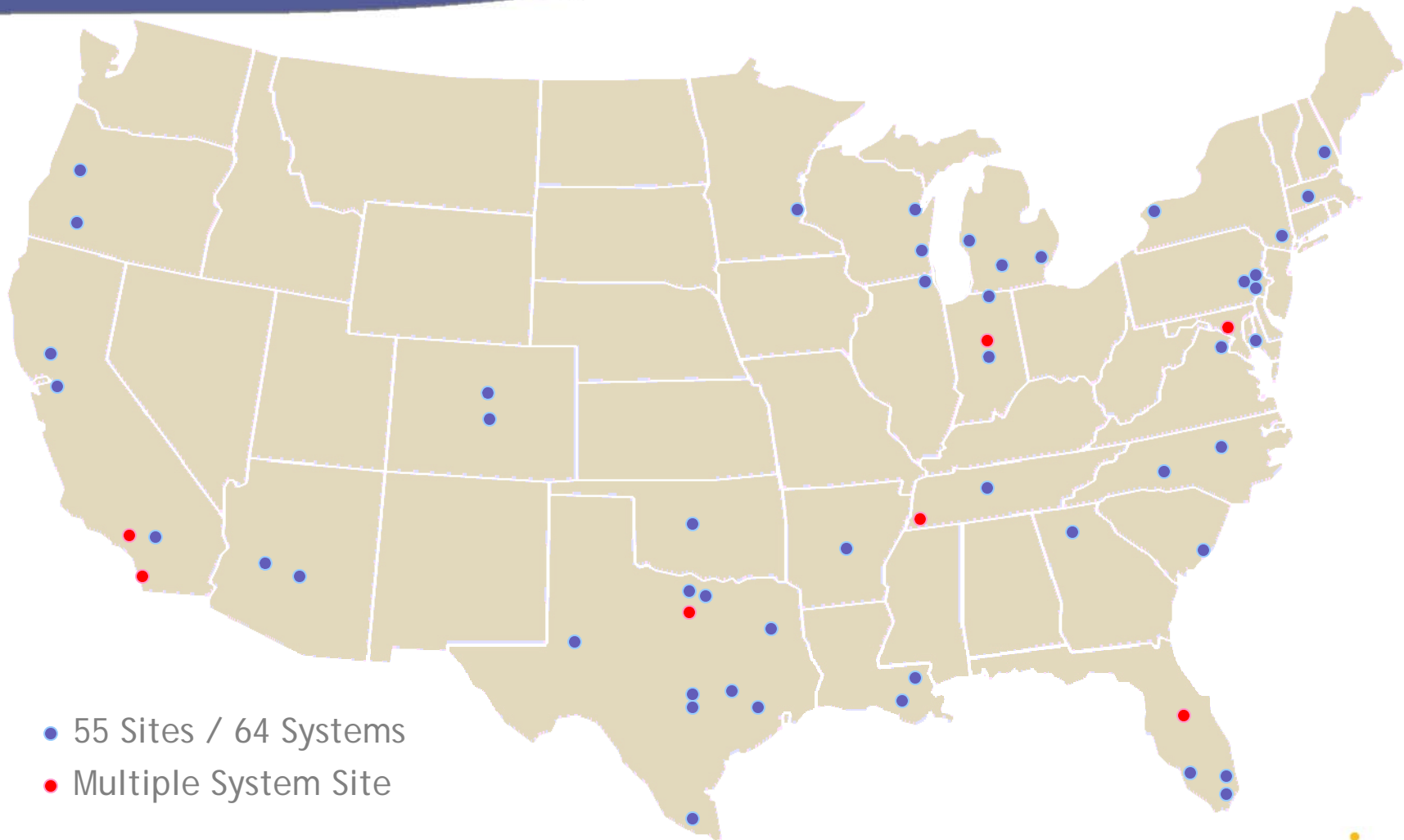
*Based on Company estimates

da Vinci[®] System Target Market - Tier 1 Hospitals 1000 Hospitals > 325 Beds



Based on Q4 Results ended 12/31/07

da Vinci[®] System Target Market - Remaining Hospitals <200 Beds



Based on Q4 Results ended 12/31/07

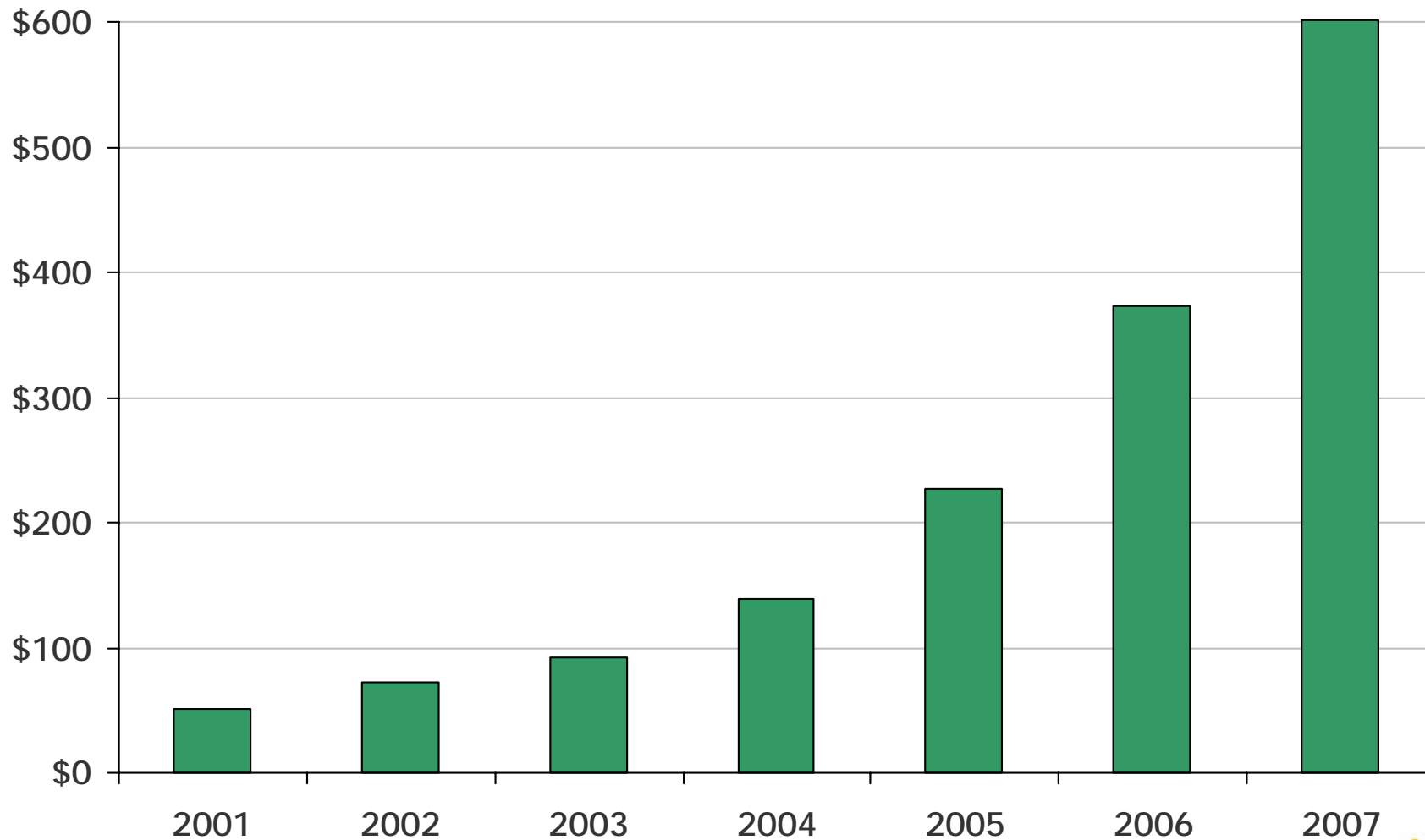
da Vinci[®] Surgery Recurring Revenue Potential

US Centers (Tier 1) - Top 1000	1,000
Systems per Top Center	<u>x 3</u>
Subtotal	3,000
US Centers (Tier 2) - Next 1000	<u>1,000</u>
Total US Systems	4,000
International	<u>2,000</u>
Total WW Systems	6,000

X Recurring Revenue/System \$573K

**Total Annual Recurring Revenue
Potential - \$3.4 Billion**

Revenue Trend (\$M)



Based on Q4 Results ended 12/31/07

Income Statement Trend (\$M)

	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>
Sales	\$91.7	\$138.8	\$227.3	\$372.7	\$600.8
Gross Profit %	48.0%	63.4%	67.6%	66.5%	69.0%
SG&A Expense	39.7	49.0	67.4	110.7	158.7
R&D Expense	16.2	17.8	17.4	29.8	48.9
Operating Income	(11.9)	21.2	68.8	107.4	206.7
Operating Margin%	(13.0%)	15.3%	30.3%	28.8%	34.4%
FAS 123R Expense*	N/A	N/A	N/A	\$25.3	\$36.3

* Total FAS123R stock compensation expense included in the above operating results

2008 Forecast

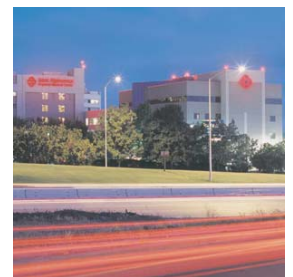
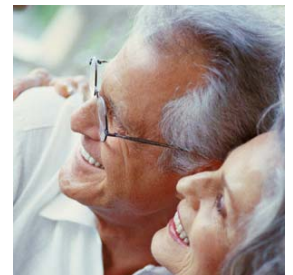
As communicated during Q4 2007 Earnings Call (GAAP Basis)

	<u>Approximately</u>
■ Total Procedure Growth	55%
■ dVP Procedure Growth	40%
■ dVH Procedure Growth	150%
■ Revenue Growth	
■ Overall	40%
■ Instrument/Accessory	55%
■ System	30%
■ Service	44%
■ Gross Profit Percentage	69-70%
■ Operating Expense Growth	43%
■ R&D Expense Growth	52%
■ SG&A Expense Growth	40%
■ Operating Income Growth	40%
■ Income Tax Rate	39%
■ FAS 123R pre-tax impact	\$60M

Based on Q4 Results ended 12/31/07

Corporate Assets

- Exclusive rights to over 400 U.S. and foreign patents
- 795 *da Vinci*[®] System base
- 260 field-based sales and service team
- Training Centers worldwide
- FDA Clearances - Laparoscopic, Thoracoscopic, Prostatectomy, Cardiotomy, Revascularization, Urology, Gynecology, Pediatric
- \$635 million Cash



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Thank You

