Intuitive Surgical Slips Due To Lack Of Expanded Procedures

(AP) — Shares of Intuitive Surgical, Inc. retreated from all-time highs Friday on what two analysts called disappointment over the number of procedures performed with the company's da Vinci robotic surgical system in the fourth quarter. Intuitive Surgical reported its quarterly results after the market closed on Thursday, showing its profit and revenue beat analyst estimates, and with strong forecasts for 2012. That implies total projected revenue of $2.06 billion to $2.09 billion.

However, growth in surgeries performed with the company's da Vinci system was slower than in previous quarters, and two analysts said it was less than they expected. Da Vinci procedures grew 27 percent in the fourth quarter after growing 30 percent in each of the first three quarters of 2011. The company sold 152 of the systems during the fourth quarter, bringing it $225 million in revenue. Intuitive is also paid for selling instruments and accessories and servicing the systems that have already been sold.

William Blair & Co. analyst Ben Andrew said close to 96,000 procedures were performed using da Vinci systems in the fourth quarter. That was about 1,250 fewer than he expected. "While modestly below our estimate, we believe this is still a solid result in a difficult macroeconomic environment," Andrew said in a note to clients.

Collins Stewart analyst Tao Levy also called the procedure growth disappointing. He kept a Buy rating on Intuitive shares because he believes sales and use of the da Vinci system could grow.

Shares of Intuitive Surgical lost $31.49, or 6.6 percent, to $443.16 in afternoon trading. The stock has climbed almost 64 percent over the last year and is up 24 percent since the company reported its third-quarter results in October. Shares reached an all-time high of $476.49 Thursday.

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