
FORM 8-K

CURRENT REPORT
Pursuant to Section 13 or 15(d) of
the Securities Exchange Act of 1934

February 20, 2019
Date of Report (date of earliest event reported)

CUTERA

Cutera, Inc.

(Exact name of Registrant as specified in its charter)

Delaware
(State or other jurisdiction of
incorporation or organization)

000-50644
(Commission File Number)

77-0492262
(I.R.S. Employer
Identification Number)

3240 Bayshore Blvd.
Brisbane, California 94005
(Address of principal executive offices)

(415) 657-5500
(Registrant's telephone number, including area code)

N/A
(Former name or former address, if changed since last report)

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 (see General Instruction A.2. below):

- 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))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 or Rule 12b-2 of the Securities Exchange Act of 1934.

- Emerging growth company
 - If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.
-

Item 1.01. Entry into a Material Definitive Agreement.

On February 19, 2019, the Board of Directors (the “Board”) of Cutera, Inc., a Delaware corporation (the “Company”), approved a new form of indemnification agreement (the “Indemnification Agreement”) between the Company and individuals who may serve from time to time as directors or officers of the Company. The Indemnification Agreement replaces the Company’s existing form of indemnification agreement and will take effect February 19, 2019 for the Company’s current directors and officers. Under the Indemnification Agreement, the Company agrees to indemnify directors and officers against liability arising out of the performance of their duties to the Company and to other entities where they provide services at the request of the Company. The Indemnification Agreement requires indemnification to the fullest extent authorized or permitted by law, including the Delaware General Corporation Law, for amounts that directors and officers become legally obligated to pay in connection with a range of legal proceedings, including attorneys’ fees, on the terms and conditions set forth in the Indemnification Agreement. The Indemnification Agreement also requires the advancement of defense expenses, on the terms and conditions set forth therein. Further, the Indemnification Agreement provides procedures for requesting and obtaining indemnification and advancement of expenses.

The foregoing description of the Indemnification Agreement is a general description only and is qualified in its entirety by reference to the form of Indemnification Agreement, a copy of which is attached hereto as Exhibit 10.1, and incorporated herein by reference.

Item 2.02. Results of Operations and Financial Condition.

On February 20, 2019, we are issuing a press release and holding a conference call regarding our financial results for the fourth quarter and full-year ended December 31, 2018. A copy of the press release is furnished as Exhibit 99.1 to this Form 8-K.

This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as shall be expressly set forth by specific reference in such a filing.

Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory Arrangements of Certain Officers.

On February 19, 2019, the Board increased the number of directors constituting the Board from seven to eight directors and appointed Katherine S. Zanotti and Joseph E. Whitters to the Board. At the time of the filing of this Current Report on Form 8-K, the Board has not made any determinations regarding Board committee assignments for Ms. Zanotti or Mr. Whitters. Ms. Zanotti and Mr. Whitters are expected to be included as two of the Company’s directors who will stand for reelection by the Company’s shareholders at the Company’s Annual Meeting of Shareholders to be held in June 2019. On February 20, 2019, the Company issued a press release regarding the appointments of Ms. Zanotti and Mr. Whitters, a copy of which is attached hereto as Exhibit 99.2.

Ms. Zanotti and Mr. Whitters will participate in the Company’s standard compensation program for non-employee directors. Accordingly, Ms. Zanotti and Mr. Whitters will be entitled to receive \$145,000 in annual compensation composed of an annual grant of restricted stock units pursuant to the Company’s Amended and Restated 2004 Equity Incentive Plan, as amended, with a grant date fair market value of \$100,000, and annual cash retainer of \$45,000 paid quarterly. Ms. Zanotti and Mr. Whitters also received a one-time award of restricted stock units on the date of their respective appointments to the Board. The award is in shares of restricted stock with a grant date value of \$150,000, one-third of such shares to vest and the forfeiture restrictions thereon to lapse on each of the first three anniversaries of the grant date.

Ms. Zanotti and Mr. Whitters are also each expected to enter into an indemnification agreement with the Company, the terms of which the Board approved on February 19, 2019 and described above in Item 1.01 of this Current Report on Form 8-K.

There are no arrangements or understandings between Ms. Zanotti and Mr. Whitters and any person pursuant to which Ms. Zanotti or Mr. Whitters was selected as a director, and there are no actual or proposed transactions between Ms. Zanotti and Mr. Whitters or any of their related persons and the Company that would require disclosure under Item 404(a) of Regulation S-K (17 CFR 229.404(a)).

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No.	Description
10.1	Form of Indemnification Agreement
99.1	Press Release of Cutera, Inc. dated as of February 20, 2019.
99.2	Press Release dated February 20, 2019 announcing the appointment of Katherine S. Zanotti (Napier) and Joseph E. Whitters to the Cutera, Inc. Board of Directors.

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, thereunto duly authorized.

CUTERA, INC.

Date: February 20, 2019

/s/ Darren W. Alch

Darren W. Alch
General Counsel & Corporate Secretary

INDEMNIFICATION AGREEMENT

This Indemnification Agreement (“**Agreement**”) is made as of _____, by and between Cutera, Inc., a Delaware corporation (the “**Corporation**”), and _____ (“**Indemnitee**”).

RECITALS:

WHEREAS, directors, officers and other persons in service to corporations or business enterprises are subjected to expensive and time-consuming litigation relating to, among other things, matters that traditionally would have been brought only against the Corporation or business enterprise itself;

WHEREAS, highly competent persons have become more reluctant to serve as directors, officers or in other capacities unless they are provided with adequate protection through insurance and adequate indemnification against inordinate risks of claims and actions against them arising out of their service to and activities on behalf of the corporation;

WHEREAS, the Board of Directors of the Corporation (the “**Board**”) has determined that the increased difficulty in attracting and retaining such persons is detrimental to the best interests of the Corporation and its stockholders and that the Corporation should act to assure such persons that there will be increased certainty of such protection in the future;

WHEREAS, (i) the Amended and Restated Bylaws of the Corporation (as may be amended, the “**Bylaws**”) require indemnification of the officers and directors of the Corporation, (ii) Indemnitee may also be entitled to indemnification pursuant to the General Corporation Law of the State of Delaware (“**DGCL**”) and (iii) the Bylaws and the DGCL expressly provide that the indemnification provisions set forth therein are not exclusive and thereby contemplate that contracts may be entered into between the Corporation and members of the Board, officers and other persons with respect to indemnification;

WHEREAS, this Agreement is a supplement to and in furtherance of the Bylaws and the Amended and Restated Certificate of Incorporation of the Corporation (as may be amended, the “**Certificate of Incorporation**”) and any resolutions adopted pursuant thereto, and shall not be deemed a substitute therefore, nor to diminish or abrogate any rights of Indemnitee thereunder; and

WHEREAS, (i) Indemnitee does not regard the protection available under the Bylaws and insurance as adequate in the present circumstances, (ii) Indemnitee may not be willing to serve or continue to serve as a director or officer of the Corporation without adequate protection, (iii) the Corporation desires Indemnitee to serve in such capacity, and (iv) Indemnitee is willing to serve, continue to serve and to take on additional service for or on behalf of the Corporation on the condition that he be so indemnified.

AGREEMENT:

NOW, THEREFORE, in consideration of the premises and the covenants contained herein, the Corporation and Indemnitee do hereby covenant and agree as follows:

Section 1. Definitions. (a) As used in this Agreement:

“**Affiliate**” of any specified Person shall mean any other Person controlling, controlled by or under common control with such specified Person.

“**Corporate Status**” describes the status of a person who is or was a director, officer, employee or agent of (i) the Corporation or (ii) any other corporation, limited liability company, partnership or joint venture, trust, employee benefit plan or other enterprise which such person is or was serving at the request of the Corporation.

“**Disinterested Director**” shall mean a director of the Corporation who is not and was not a party to the Proceeding in respect of which indemnification is sought by Indemnitee.

“**Enterprise**” shall mean the Corporation and any other corporation, limited liability company, partnership, joint venture, trust, employee benefit plan or other enterprise of which Indemnitee is or was serving at the request of the Corporation as a director, officer, employee, agent or fiduciary.

“**Exchange Act**” shall mean the Securities Exchange Act of 1934, as amended.

“**Expenses**” shall mean all reasonable costs, expenses, fees and charges, including, without limitation, attorneys’ fees, document and e-discovery costs, litigation expenses, retainers, court costs, transcript costs, fees of experts, witness fees, travel expenses, duplicating costs, printing and binding costs, telephone charges, postage, delivery service fees, and all other disbursements or expenses of the types customarily incurred in connection with prosecuting, defending, preparing to prosecute or defend, investigating, being or preparing to be a witness in, or otherwise participating in, a Proceeding. Expenses also shall include, without limitation, (i) expenses incurred in connection with any appeal resulting from, incurred by Indemnitee in connection with, arising out of, or in respect of or relating to, any Proceeding, including, without limitation, the premium, security for, and other costs relating to any cost bond, supersedes bond, or other appeal bond or its equivalent, (ii) for purposes of Section 12(d) hereof only, expenses incurred by Indemnitee in connection with the interpretation, enforcement or defense of Indemnitee’s rights under this Agreement, by litigation or otherwise, (iii) any federal, state, local or foreign taxes imposed on Indemnitee as a result of the actual or deemed receipt of any payments under this Agreement, and (iv) any interest, assessments or other charges in respect of the foregoing. “Expenses” shall not include “Liabilities.”

“**Indemnity Obligations**” shall mean all obligations of the Corporation to Indemnitee under this Agreement, including the Corporation’s obligations to provide indemnification to Indemnitee and advance Expenses to Indemnitee under this Agreement.

“**Independent Counsel**” shall mean a law firm of fifty (50) or more attorneys, or a member of a law firm of fifty (50) or more attorneys, that is experienced in matters of corporation law and neither presently is, nor in the past five (5) years has been, retained to represent: (i) the Corporation or Indemnitee in any matter material to either such party (other than with respect to matters concerning Indemnitee under this Agreement, or of other indemnitees under similar indemnification agreements), or (ii) any other party to the Proceeding giving rise to a claim for indemnification hereunder; provided, however, that the term “Independent Counsel” shall not include any person who, under the applicable standards of professional conduct then prevailing, would have a conflict of interest in representing either the Corporation or Indemnitee in an action to determine Indemnitee’s rights under this Agreement.

“**Liabilities**” shall mean all claims, liabilities, damages, losses, judgments, orders, fines, penalties and other amounts payable in connection with, arising out of, or in respect of or relating to any Proceeding, including, without limitation, amounts paid in settlement in any Proceeding and all costs and expenses in complying with any judgment, order or decree issued or entered in connection with any Proceeding or any settlement agreement, stipulation or consent decree entered into or issued in settlement of any Proceeding.

“**Person**” shall mean any individual, corporation, partnership, limited partnership, limited liability company, trust, governmental agency or body or any other legal entity.

“**Proceeding**” shall mean any threatened, pending or completed action, claim, suit, arbitration, alternate dispute resolution mechanism, formal or informal hearing, inquiry or investigation, litigation, inquiry, administrative hearing or any other actual, threatened or completed judicial, administrative or arbitration proceeding (including, without limitation, any such proceeding under the Securities Act of 1933, as amended, or the Exchange Act or any other federal law, state law, statute or regulation), whether brought in the right of the Corporation or otherwise, and whether of a civil, criminal, administrative or investigative nature, in each case, in which Indemnitee was, is or will be, or is threatened to be, involved as a party, witness or otherwise by reason of the fact that Indemnitee is or was a director or officer of the Corporation, by reason of any actual or alleged action taken by Indemnitee or of any action on Indemnitee’s part while acting as director or officer of the Corporation, or by reason of the fact that he is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, limited liability company, partnership, joint venture, trust or other enterprise, in each case whether or not serving in such capacity at the time any liability or expense is incurred for which indemnification, reimbursement, or advancement can be provided under this Agreement.

(b) For the purpose hereof, references to “fines” shall include any excise tax assessed with respect to any employee benefit plan; references to “serving at the request of the Corporation” shall include any service as a director, officer, employee or agent of the Corporation which imposes duties on, or involves services by, such director, officer, employee or agent with respect to an employee benefit plan, its participants or beneficiaries; and a Person who acted in good faith and in a manner he reasonably believed to be in the best interests of the participants and beneficiaries of an employee benefit plan shall be deemed to have acted in a manner “not opposed to the best interests of the Corporation” as referred to in this Agreement.

Section 2. Indemnity in Third-Party Proceedings. The Corporation shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by applicable law, from and against all Liabilities and Expenses suffered or reasonably incurred (and, in the case of retainers, reasonably expected to be incurred) by Indemnitee or on Indemnitee’s behalf in connection with any Proceeding (other than any Proceeding brought by or in the right of the Corporation to procure a judgment in its favor), or any claim, issue or matter therein.

Section 3. Indemnity in Proceedings by or in the Right of the Corporation. The Corporation shall indemnify and hold harmless Indemnitee, to the fullest extent permitted by applicable law, from and against all Liabilities and Expenses suffered or incurred by Indemnitee or on Indemnitee's behalf in connection with any Proceeding brought by or in the right of the Corporation to procure a judgment in its favor, or any claim, issue or matter therein. No indemnification for Liabilities and Expenses shall be made under this Section 3 in respect of any claim, issue or matter as to which Indemnitee shall have been finally adjudged by a court to be liable to the Corporation, unless and only to the extent that the Delaware Court of Chancery or any court in which the Proceeding was brought shall determine upon application that, despite the adjudication of liability but in view of all the circumstances of the case, Indemnitee is fairly and reasonably entitled to such indemnification.

Section 4. Indemnification for Expenses of a Party Who is Wholly or Partly Successful. Notwithstanding any other provisions of this Agreement, and without limiting the rights of Indemnitee under any other provision hereof, including any rights to indemnification pursuant to Sections 2 or 3 hereof, to the fullest extent permitted by applicable law, to the extent that Indemnitee is successful, on the merits or otherwise, in any Proceeding or in defense of any claim, issue or matter therein, in whole or in part, the Corporation shall indemnify Indemnitee against all Expenses actually and reasonably incurred by Indemnitee or on Indemnitee's behalf in connection with each successfully resolved Proceeding, claim, issue or matter. For purposes of this Section 4 and without limitation, the termination of any Proceeding or claim, issue or matter in such a Proceeding by dismissal, with or without prejudice, shall be deemed to be a successful result as to such claim, issue or matter.

Section 5. Indemnification For Expenses of a Witness. Notwithstanding any other provision of this Agreement, to the fullest extent permitted by applicable law and to the extent that Indemnitee is, by reason of Indemnitee's Corporate Status, a witness, or is made (or asked) to respond to discovery requests or a subpoena or similar demand for documents or testimony, in any Proceeding to which Indemnitee is not a party, Indemnitee shall be indemnified against all Expenses suffered or incurred (or, in the case of retainers, reasonably expected to be incurred) by Indemnitee or on Indemnitee's behalf in connection therewith.

Section 6. Additional Indemnification. Notwithstanding any limitation in Sections 2, 3 or 4 hereof, the Corporation shall indemnify Indemnitee to the fullest extent permitted by applicable law if Indemnitee is a party to or threatened to be made a party to any Proceeding (including a Proceeding by or in the right of the Corporation to procure a judgment in its favor) against all Liabilities and Expenses suffered or reasonably incurred by Indemnitee in connection with such Proceeding, including but not limited to:

- (a) the fullest extent permitted by the provision of the DGCL that authorizes or contemplates additional indemnification by agreement, or the corresponding provision of any amendment to or replacement of the DGCL; and
- (b) the fullest extent authorized or permitted by any amendments to or replacements of the DGCL adopted after the date of this Agreement that increase the extent to which a corporation may indemnify its officers and directors.

Section 7. Exclusions. Notwithstanding any provision in this Agreement, the Corporation shall not be obligated under this Agreement to indemnify or hold harmless Indemnitee:

(a) for which payment has actually been made to or on behalf of Indemnitee under any insurance policy obtained by the Corporation except with respect to any excess beyond the amount paid under such insurance policy;

(b) for an accounting of profits made from the purchase and sale (or sale and purchase) by Indemnitee of securities of the Corporation within the meaning of Section 16(b) of the Exchange Act or similar provisions of state statutory law or common law;

(c) for any reimbursement of the Corporation by Indemnitee of any bonus or other incentive-based or equity-based compensation or of any profits realized by Indemnitee from the sale of securities of the Corporation, as required in each case under the Exchange Act (including any such reimbursements that arise from an accounting restatement of the Corporation pursuant to Section 304 of the Sarbanes-Oxley Act of 2002 (the "**Sarbanes-Oxley Act**"), or the payment to the Corporation of profits arising from the purchase and sale by Indemnitee of securities in violation of Section 306 of the Sarbanes-Oxley Act), if Indemnitee is held liable therefor (including pursuant to any settlement arrangements) or in respect of claw-back provisions promulgated under the rules and regulations of the Securities and Exchange Commission pursuant to the Dodd-Frank Wall Street Reform and Consumer Protection Act; or

(d) except as provided in Section 12(d) of this Agreement, in connection with any Proceeding (or any part of any Proceeding) initiated by Indemnitee, including any Proceeding (or any part of any Proceeding) initiated by Indemnitee against the Corporation or its directors, officers, employees or other indemnitees, unless (i) the Board authorized the Proceeding (or any part of any Proceeding) prior to its initiation or (ii) the Corporation provides the indemnification, in its sole discretion, pursuant to the powers vested in the Corporation under applicable law; or

(e) if a final decision by a court having jurisdiction in the matter shall determine that such indemnification is not lawful.

Section 8. Advancement. In accordance with the pre-existing requirements of the Bylaws, and notwithstanding any provision of this Agreement to the contrary, the Corporation shall advance, to the extent not prohibited by applicable law, the Expenses reasonably incurred by Indemnitee in connection with any Proceeding, and such advancement shall be made within ten (10) days after the receipt by the Corporation of a statement or statements requesting such advances from time to time, whether prior to or after final disposition of any Proceeding. Advances shall be unsecured and interest free. Advances shall be made without regard to Indemnitee's ability to repay the Expenses and without regard to Indemnitee's ultimate entitlement to indemnification under the other provisions of this Agreement. Advances shall include any and all Expenses reasonably incurred pursuing an action to enforce this right of advancement, including Expenses incurred preparing and forwarding statements to the Corporation to support the advances claimed. Indemnitee shall qualify for advances upon the execution and delivery to the Corporation of this Agreement, which shall constitute an undertaking providing that Indemnitee undertakes to repay the amounts advanced to the extent that it is ultimately determined that Indemnitee is not entitled to be indemnified by the Corporation. This Section 8 shall not apply to any claim made by Indemnitee for which indemnity is excluded pursuant to Section 7 hereof.

Section 9. Procedure for Notification and Defense of Claim.

(a) Indemnitee shall promptly notify the Corporation in writing of any Proceeding with respect to which Indemnitee intends to seek indemnification or advancement hereunder following the receipt by Indemnitee of written notice thereof. The written notification to the Corporation shall include a description of the nature of the Proceeding and the facts underlying the Proceeding. To obtain indemnification under this Agreement, Indemnitee shall submit to the Corporation a written request, including therein or therewith such documentation and information as is reasonably available to Indemnitee and is reasonably necessary to determine whether and to what extent Indemnitee is entitled to indemnification following the final disposition of such Proceeding. Any delay or failure by Indemnitee to notify the Corporation hereunder will not relieve the Corporation from any liability which it may have to Indemnitee hereunder or otherwise than under this Agreement, and any delay or failure in so notifying the Corporation shall not constitute a waiver by Indemnitee of any rights under this Agreement. The Secretary of the Corporation shall, promptly upon receipt of such a request for indemnification, advise the Board in writing that Indemnitee has requested indemnification.

(b) In the event Indemnitee is entitled to indemnification and/or advancement with respect to any Proceeding, Indemnitee may, at Indemnitee's option, (i) retain counsel selected by Indemnitee and approved by the Corporation to defend Indemnitee in such Proceeding, at the sole expense of the Corporation (which approval shall not be unreasonably withheld, conditioned or delayed), or (ii) have the Corporation assume the defense of Indemnitee in such Proceeding, in which case the Corporation shall assume the defense of such Proceeding with counsel selected by the Corporation and approved by Indemnitee (which approval shall not be unreasonably withheld, conditioned or delayed) within ten (10) days of the Corporation's receipt of written notice of Indemnitee's election to cause the Corporation to do so. If the Corporation is required to assume the defense of any such Proceeding, it shall engage legal counsel for such defense, and the Corporation shall be solely responsible for all fees and expenses of such legal counsel and otherwise of such defense. Such legal counsel may represent both Indemnitee and the Corporation (and any other party or parties entitled to be indemnified by the Corporation with respect to such matter) unless, in the reasonable opinion of legal counsel to Indemnitee, there is a conflict of interest between Indemnitee and the Corporation (or any other such party or parties) or there are legal defenses available to Indemnitee that are not available to the Corporation (or any such other party or parties). Notwithstanding either party's assumption of responsibility for defense of a Proceeding, each party shall have the right to engage separate counsel at its own expense. The party having responsibility for defense of a Proceeding shall provide the other party and its counsel with all copies of pleadings and material correspondence relating to the Proceeding. Indemnitee and the Corporation shall reasonably cooperate in the defense of any Proceeding with respect to which indemnification is sought hereunder, regardless of whether the Corporation or Indemnitee assumes the defense thereof. Indemnitee may not settle or compromise any Proceeding without the prior written consent of the Corporation, which consent shall not be unreasonably withheld, conditioned or delayed. The Corporation may not settle or compromise any Proceeding without the prior written consent of Indemnitee.

Section 10. Procedure Upon Application for Indemnification.

(a) Upon written request by Indemnitee for indemnification pursuant to Section 9(a) hereof, if any determination by the Corporation is required by applicable law with respect to Indemnitee's entitlement thereto, such determination shall be made (i) if Indemnitee shall request such determination be made by Independent Counsel, by Independent Counsel, and (ii) in all other circumstances, (A) by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (B) by a committee of Disinterested Directors designated by a majority vote of the Disinterested Directors, even though less than a quorum of the Board, (C) if there are no such Disinterested Directors or, if such Disinterested Directors so direct, by Independent Counsel in a written opinion to the Board, a copy of which shall be delivered to Indemnitee, or (D) if so directed by the Board, by the stockholders of the Corporation; and, if it is so determined that Indemnitee is entitled to indemnification, payment to Indemnitee shall be made within ten (10) days after such determination. Indemnitee shall cooperate with the person, persons or entity making such determination with respect to Indemnitee's entitlement to indemnification, including providing to such person, persons or entity upon reasonable advance request any documentation or information which is not privileged or otherwise protected from disclosure and which is reasonably available to Indemnitee and reasonably necessary to such determination. Any Expenses incurred by Indemnitee in so cooperating with the person, persons or entity making such determination shall be borne by the Corporation (irrespective of the determination as to Indemnitee's entitlement to indemnification) and the Corporation hereby indemnifies and agrees to hold Indemnitee harmless therefrom. The Corporation will not deny any written request for indemnification hereunder made in good faith by Indemnitee unless a determination as to Indemnitee's entitlement to such indemnification described in this Section 10(a) has been made. The Corporation agrees to pay the reasonable fees and expenses of the Independent Counsel referred to above and to fully indemnify such counsel against any and all Liabilities and Expenses arising out of or relating to this Agreement or its engagement pursuant hereto.

(b) In the event the determination of entitlement to indemnification is to be made by Independent Counsel pursuant to Section 10(a) hereof, (i) the Independent Counsel shall be selected by the Corporation within ten (10) days of the Submission Date (the cost of such Independent Counsel to be paid by the Corporation), (ii) the Corporation shall give written notice to Indemnitee advising it of the identity of the Independent Counsel so selected and (iii) Indemnitee may, within ten (10) days after such written notice of selection shall have been given, deliver to the Corporation Indemnitee's written objection to such selection. Such objection by Indemnitee may be asserted only on the ground that the Independent Counsel selected does not meet the requirements of "Independent Counsel" as defined in this Agreement. If such written objection is made and substantiated, the Independent Counsel selected shall not serve as Independent Counsel unless and until Indemnitee withdraws the objection or a court has determined that such objection is without merit. Absent a timely objection, the person so selected shall act as Independent Counsel. If no Independent Counsel shall have been selected and not objected to before the later of (i) thirty (30) days after the later of submission by Indemnitee of a written request for indemnification pursuant to Section 10(a) hereof (the "**Submission Date**") and (ii) ten (10) days after the final disposition of the Proceeding, each of the Corporation and Indemnitee shall select a law firm or member of a law firm meeting the qualifications to serve as Independent Counsel, and such law firms or members of law firms shall select the Independent Counsel. Upon the due commencement of any judicial proceeding or arbitration pursuant to Section 12(a) of this Agreement, Independent Counsel shall be discharged and relieved of any further responsibility in such capacity (subject to the applicable standards of professional conduct then prevailing).

Section 11. Presumptions and Effect of Certain Proceedings.

(a) In making a determination with respect to entitlement to indemnification hereunder, the person, persons or entity making such determination shall, to the fullest extent not prohibited by applicable law, presume that Indemnitee is entitled to indemnification under this Agreement if Indemnitee has submitted a request for indemnification in accordance with Section 9(a) of this Agreement, and the Corporation shall, to the fullest extent not prohibited by applicable law, have the burden of proof to overcome that presumption in connection with the making by any person, persons or entity of any determination contrary to that presumption. Neither the failure of the Corporation (including by its directors or independent legal counsel) to have made a determination prior to the commencement of any action pursuant to this Agreement that indemnification is proper in the circumstances because Indemnitee has met the applicable standard of conduct, nor an actual determination by the Corporation (including by its directors or independent legal counsel) that Indemnitee has not met such applicable standard of conduct, shall be a defense to the action or create a presumption that Indemnitee has not met the applicable standard of conduct.

(b) Subject to Section 12(e) hereof, if the person, persons or entity empowered or selected under Section 10 of this Agreement to determine whether Indemnitee is entitled to indemnification shall not have made a determination within sixty (60) days after receipt by the Corporation of the request therefore, the requisite determination of entitlement to indemnification shall, to the fullest extent not prohibited by applicable law, be deemed to have been made and Indemnitee shall be entitled to such indemnification, absent a prohibition of such indemnification under applicable law; provided, however, that such 60-day period may be extended for a reasonable time, not to exceed an additional thirty (30) days, if (i) the determination is to be made by Independent Counsel and Indemnitee objects to the Corporation's selection of Independent Counsel and (ii) the Independent Counsel ultimately selected requires such additional time for the obtaining or evaluating of documentation or information relating thereto; provided further, however, that such 60-day period may also be extended for a reasonable time, not to exceed an additional sixty (60) days, if the determination of entitlement to indemnification is to be made by the stockholders of the Corporation.

(c) The termination of any Proceeding or of any claim, issue or matter therein, by judgment, order, settlement or conviction, or upon a plea of nolo contendere or its equivalent, shall not (except as otherwise expressly provided in this Agreement) adversely affect the right of Indemnatee to indemnification or create a presumption that Indemnatee did not act in good faith and in a manner which he reasonably believed to be in or not opposed to the best interests of the Corporation or, with respect to any criminal Proceeding, that Indemnatee had reasonable cause to believe that Indemnatee's conduct was unlawful.

(d) Reliance as Safe Harbor. For purposes of any determination of good faith, Indemnatee shall be deemed to have acted in good faith if Indemnatee's action is based on the records or books of account of the Enterprise, including financial statements, or on information supplied to Indemnatee by the officers of the Enterprise in the course of their duties, or on the advice of legal counsel for the Enterprise or on information or records given or reports made to the Enterprise by an independent certified public accountant or by an appraiser or other expert selected with the reasonable care by the Enterprise. The provisions of this Section 11(d) shall not be deemed to be exclusive or to limit in any way the other circumstances in which Indemnatee may be deemed to have met the applicable standard of conduct set forth in this Agreement.

(e) Actions of Others. The knowledge or actions, or failure to act, of any director, officer, agent or employee of the Enterprise shall not be imputed to Indemnatee for purposes of determining the right to indemnification under this Agreement.

Section 12. Remedies of Indemnatee.

(a) Subject to Section 12(e) hereof, in the event that (i) a determination is made pursuant to Section 10 of this Agreement that Indemnatee is not entitled to indemnification under this Agreement, (ii) advancement is not timely made pursuant to Section 8 of this Agreement, (iii) no determination of entitlement to indemnification shall have been made pursuant to Section 10(a) of this Agreement within ninety (90) days after receipt by the Corporation of the request for indemnification, (iv) payment of indemnification is not made pursuant to Sections 4 or 5 or the last sentence of Section 10(a) of this Agreement within ten (10) days after receipt by the Corporation of a written request therefor, (v) payment of indemnification pursuant to Sections 2, 3 or 6 of this Agreement is not made within ten (10) days after a determination has been made that Indemnatee is entitled to indemnification, or (vi) in the event that the Corporation or any other Person takes or threatens to take any action to declare this Agreement void or unenforceable, or institutes any litigation or other action or proceeding designed to deny, or to recover from, Indemnatee the benefits provided or intended to be provided to Indemnatee hereunder, Indemnatee shall be entitled to an adjudication by a court of Indemnatee's entitlement to such indemnification or advancement. Alternatively, Indemnatee, at Indemnatee's option, may seek an award in arbitration to be conducted by a single arbitrator pursuant to the Commercial Arbitration Rules of the American Arbitration Association. The Corporation shall not oppose Indemnatee's right to seek any such adjudication or award in arbitration.

(b) In the event that a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnatee is not entitled to indemnification, any judicial proceeding or arbitration commenced pursuant to this Section 12 shall be conducted in all respects as a de novo trial, or arbitration, on the merits and Indemnatee shall not be prejudiced by reason of that adverse determination. In any judicial proceeding or arbitration commenced pursuant to this Section 12 the Corporation shall have the burden of proving Indemnatee is not entitled to indemnification or advancement, as the case may be.

(c) If a determination shall have been made pursuant to Section 10(a) of this Agreement that Indemnitee is entitled to indemnification, the Corporation shall be bound by such determination in any judicial proceeding or arbitration commenced pursuant to this Section 12, absent a prohibition of such indemnification under applicable law.

(d) The Corporation shall, to the fullest extent not prohibited by applicable law, be precluded from asserting in any judicial proceeding or arbitration commenced pursuant to this Section 12 that the procedures and presumptions of this Agreement are not valid, binding and enforceable and shall stipulate in any such court or before any such arbitrator that the Corporation is bound by all the provisions of this Agreement. It is the intent of the Corporation that Indemnitee not be required to incur Expenses associated with the interpretation, enforcement or defense of Indemnitee's rights under this Agreement by litigation or otherwise because the cost and expense thereof would substantially detract from the benefits intended to be extended to Indemnitee hereunder. The Corporation shall indemnify Indemnitee against any and all such Expenses and, if requested by Indemnitee, shall (within ten (10) days after receipt by the Corporation of a written request therefore) advance, to the extent not prohibited by applicable law, such Expenses to Indemnitee, which are incurred by Indemnitee in connection with any action brought by Indemnitee for indemnification or advancement from the Corporation under this Agreement or under any directors' and officers' liability insurance policies maintained by the Corporation, regardless of whether Indemnitee ultimately is determined to be entitled to such indemnification, advancement or insurance recovery, as the case may be.

(e) Notwithstanding anything in this Agreement to the contrary, no determination as to entitlement to indemnification under this Agreement shall be required to be made prior to the final disposition of the Proceeding; provided that, in absence of any such determination with respect to such Proceeding, the Corporation shall advance Expenses with respect to such Proceeding.

Section 13. Non-Exclusivity; Survival of Rights; Insurance; Subrogation.

(a) The rights of indemnification and to receive advancement as provided by this Agreement shall not be deemed exclusive of any other rights to which Indemnitee may at any time be entitled under applicable law, the Certificate of Incorporation, the Bylaws, any agreement, a vote of stockholders or a resolution of directors, or otherwise. No amendment, alteration or repeal of this Agreement or of any provision hereof shall limit or restrict any right of Indemnitee under this Agreement in respect of any action taken or omitted by such Indemnitee in Indemnitee's Corporate Status prior to such amendment, alteration or repeal. To the extent that a change in Delaware law, whether by statute or judicial decision, permits greater indemnification or advancement than would be afforded currently under the Bylaws or this Agreement, it is the intent of the parties hereto that Indemnitee shall enjoy by this Agreement the greater benefits so afforded by such change. No right or remedy herein conferred is intended to be exclusive of any other right or remedy, and every other right and remedy shall be cumulative and in addition to every other right and remedy given hereunder or now or hereafter existing at law or in equity or otherwise. The assertion or employment of any right or remedy hereunder, or otherwise, shall not prevent the concurrent assertion or employment of any other right or remedy.

(b) The Corporation hereby acknowledges that Indemnitee may have certain rights to indemnification, advancement and insurance provided by one or more Persons with whom or which Indemnitee may be associated. The Corporation hereby acknowledges and agrees that (i) the Corporation shall be the indemnitor of first resort with respect to any Proceeding, Expense, Liability or matter that is the subject of the Indemnity Obligations, (ii) the Corporation shall be primarily liable for all Indemnity Obligations and any indemnification afforded to Indemnitee in respect of any Proceeding, Expense, Liability or matter that is the subject of Indemnity Obligations, whether created by applicable law, organizational or constituent documents, contract (including this Agreement) or otherwise, (iii) any obligation of any other Persons with whom or which Indemnitee may be associated to indemnify Indemnitee or advance Expenses or Liabilities to Indemnitee in respect of any Proceeding shall be secondary to the obligations of the Corporation hereunder, (iv) the Corporation shall be required to indemnify Indemnitee and advance Expenses or Liabilities to Indemnitee hereunder to the fullest extent provided herein without regard to any rights Indemnitee may have against any other Person with whom or which Indemnitee may be associated or insurer of any such Person and (v) the Corporation irrevocably waives, relinquishes and releases any other Person with whom or which Indemnitee may be associated from any claim of contribution, subrogation or any other recovery of any kind in respect of amounts paid by the Corporation hereunder. In the event any other Person with whom or which Indemnitee may be associated or their insurers advances or extinguishes any liability or loss which is the subject of any Indemnity Obligation owed by the Corporation or payable under any Corporation insurance policy, the payor shall have a right of subrogation against the Corporation or its insurer or insurers for all amounts so paid which would otherwise be payable by the Corporation or its insurer or insurers under this Agreement. In no event will payment of an Indemnity Obligation by any other Person with whom or which Indemnitee may be associated or their insurers affect the obligations of the Corporation hereunder or shift primary liability for any Indemnity Obligation to any other Person with whom or which Indemnitee may be associated. Any indemnification, insurance or advancement provided by any other Person with whom or which Indemnitee may be associated with respect to any Liability arising as a result of Indemnitee's Corporate Status or capacity as an officer or director of any Person is specifically in excess over any Indemnity Obligation of the Corporation or any collectible insurance (including but not limited to any malpractice insurance or professional errors and omissions insurance) provided by the Corporation under this Agreement.

(c) The Corporation shall maintain an insurance policy or policies providing liability insurance providing reasonable and customary coverage as compared with similarly situated companies (as determined by the Board in its reasonable discretion) for directors, officers, employees, or agents of the Corporation or of any other Enterprise, and Indemnitee shall be covered by such policy or policies in accordance with its or their terms to the maximum extent of the coverage available for any such director, officer, employee or agent under such policy or policies and such policies shall provide for and recognize that the insurance policies are primary to any rights to indemnification, advancement or insurance proceeds to which Indemnitee may be entitled from one or more Persons with whom or which Indemnitee may be associated to the same extent as the Corporation's indemnification and advancement obligations set forth in this Agreement. If, at the time of the receipt of a notice of a claim pursuant to the terms hereof, the Corporation has director and officer liability insurance in effect, the Corporation shall give prompt notice of the commencement of such Proceeding to the insurers in accordance with the procedures set forth in the respective policies. The Corporation shall thereafter take all necessary or desirable action to cause such insurers to pay, on behalf of Indemnitee, all amounts payable as a result of such Proceeding in accordance with the terms of such policies.

(d) In the event of any payment under this Agreement, the Corporation shall not be subrogated to the rights of recovery of Indemnitee, including rights of indemnification provided to Indemnitee from any other person or entity with whom Indemnitee may be associated; provided, however, that the Corporation shall be subrogated to the extent of any such payment of all rights of recovery of Indemnitee under insurance policies of the Corporation or any of its subsidiaries.

(e) The indemnification and contribution provided for in this Agreement will remain in full force and effect regardless of any investigation made by or on behalf of Indemnitee.

Section 14. Duration of Agreement; Not Employment Contract. This Agreement shall continue until and terminate upon the latest of: (i) ten (10) years after the date that Indemnitee shall have ceased to serve as a director, officer, employee or agent of the Corporation or any other Enterprise, (ii) the date of final termination of any Proceeding then pending in respect of which Indemnitee is granted rights of indemnification or advancement hereunder and of any proceeding commenced by Indemnitee pursuant to Section 12 of this Agreement relating thereto or (iii) the expiration of all statutes of limitation applicable to possible Proceedings to which Indemnitee may be subject arising out of the Indemnitee's Corporate Status. The indemnification provided under this Agreement shall continue as to the Indemnitee even though he or she may have ceased to be a director of the Corporation or of any the Corporation's direct or indirect subsidiaries or to have Corporate Status. This Agreement shall be binding upon the Corporation and its successors and assigns and shall inure to the benefit of Indemnitee and Indemnitee's heirs, executors and administrators. This Agreement shall not be deemed an employment contract between the Corporation (or any of its subsidiaries or any other Enterprise) and Indemnitee. Indemnitee specifically acknowledges that Indemnitee's employment with the Corporation (or any of its subsidiaries or any other Enterprise), if any, is at will, and Indemnitee may be discharged at any time for any reason, with or without cause, except as may be otherwise provided in any written employment contract between Indemnitee and the Corporation (or any of its subsidiaries or any other Enterprise), other applicable formal severance policies duly adopted by the Board, or, with respect to service as a director of the Corporation, by the Certificate of Incorporation, the Bylaws or the DGCL.

Section 15. Severability. If any provision or provisions of this Agreement shall be held to be invalid, illegal or unenforceable for any reason whatsoever: (a) the validity, legality and enforceability of the remaining provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall not in any way be affected or impaired thereby and shall remain enforceable to the fullest extent permitted by applicable law; (b) such provision or provisions shall be deemed reformed to the extent necessary to conform to applicable law and to give the maximum effect to the intent of the parties hereto; and (c) to the fullest extent possible, the provisions of this Agreement (including, without limitation, each portion of any Section of this Agreement containing any such provision held to be invalid, illegal or unenforceable that is not itself invalid, illegal or unenforceable) shall be construed so as to give effect to the intent manifested thereby.

Section 16. Enforcement.

(a) The Corporation expressly confirms and agrees that it has entered into this Agreement and assumed the obligations imposed on it hereby in order to induce Indemnitee to serve as a director, officer, employee or agent of the Corporation, and the Corporation acknowledges that Indemnitee is relying upon this Agreement in serving as a director, officer, employee or agent of the Corporation.

(b) This Agreement constitutes the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral, written and implied, between the parties hereto with respect to the subject matter hereof; provided, however, that this Agreement is a supplement to and in furtherance of the Certificate of Incorporation, the Bylaws and applicable law, and shall not be deemed a substitute therefore, nor diminish or abrogate any rights of Indemnitee thereunder.

Section 17. Modification and Waiver. No supplement, modification or amendment of this Agreement shall be binding unless executed in writing by the parties thereto. No waiver of any of the provisions of this Agreement shall be deemed to be or shall constitute a waiver of any other provision of this Agreement nor shall any waiver constitute a continuing waiver.

Section 18. Notices. All notices, requests, demands and other communications under this Agreement shall be in writing and shall be deemed to have been duly given if (a) delivered by hand and receipted for by the party to whom said notice or other communication shall have been directed, (b) mailed by certified or registered mail with postage prepaid, on the third business day after the date on which it is so mailed, (c) mailed by reputable overnight courier and receipted for by the party to whom said notice or other communication shall have been directed or (d) sent by facsimile transmission, with receipt of oral confirmation that such transmission has been received:

- (i) If to Indemnitee, at such address as Indemnitee shall provide to the Corporation.
- (ii) If to the Corporation to:

Cutera, Inc.
3240 Bayshore Blvd.
Brisbane, California 94005
Attention: Board of Directors

or to any other address as may have been furnished to Indemnitee by the Corporation.

Section 19. Contribution. To the fullest extent permissible under applicable law, if the indemnification provided for in this Agreement is unavailable to Indemnitee for any reason whatsoever, the Corporation, in lieu of indemnifying Indemnitee, shall contribute to the amount incurred by Indemnitee, whether for Liabilities or for Expenses, in connection with any claim relating to an indemnifiable event under this Agreement, in such proportion as is deemed fair and reasonable in light of all of the circumstances of such Proceeding in order to reflect (a) the relative benefits received by the Corporation and Indemnitee as a result of the event(s) and transaction(s) giving cause to such Proceeding; and (b) the relative fault of the Corporation (and its directors, officers, employees and agents) and Indemnitee in connection with such event(s) and transaction(s).

Section 20. Applicable Law. This Agreement and the legal relations among the parties shall be governed by, and construed and enforced in accordance with, the laws of the State of Delaware, without regard to its conflict of laws rules.

Section 21. Counterparts. This Agreement may be executed in one or more counterparts, each of which shall for all purposes be deemed to be an original but all of which together shall constitute one and the same Agreement. Only one such counterpart signed by the party against whom enforceability is sought needs to be produced to evidence the existence of this Agreement.

Section 22. Miscellaneous. Use of the masculine pronoun shall be deemed to include usage of the feminine pronoun where appropriate. The headings of the paragraphs of this Agreement are inserted for convenience only and shall not be deemed to constitute part of this Agreement or to affect the construction thereof.

IN WITNESS WHEREOF, the parties have caused this Agreement to be signed as of the day and year first above written.

CUTERA, INC.

By: _____
Name: _____
Title: _____

INDEMNITEE

Name:

[Signature Page to Indemnification Agreement]



FOR IMMEDIATE RELEASE

Cutera Reports Fourth Quarter and Full Year 2018 Financial Results

Total truSculpt® Body Sculpting Generated 32% Revenue Growth in 2018

BRISBANE, California, February 20, 2019 — Cutera, Inc. (NASDAQ: CUTR) (“Cutera” or the “Company”), a leading provider of laser and other energy-based aesthetic systems for practitioners worldwide, today reports financial results for the fourth quarter and fiscal year ended December 31, 2018.

Key financial and operational highlights for the fourth quarter and full year 2018 include:

- **Revenue** for the fourth quarter increased 12% sequentially, though decreased 5% from the prior year fourth quarter, to \$45.5 million. Revenue increased 7% to \$162.7 million for the full year 2018;
 - Fourth quarter continues to reflect strong demand for the body sculpting product portfolio, *truSculpt*, with the number of systems sold growing strong double digits both sequentially and year over year.
 - Total recurring revenue, which includes service, skincare and consumable revenue, for the fourth quarter reached \$8.6 million, or 28% growth over the fourth quarter 2017. For the full year 2018, total recurring revenue was \$30.1 million, or 18% growth over the full year 2017.
 - US revenue declined by 7% in the fourth quarter over the prior year period, and increased 8% for the full year 2018. Results reflect strong demand for the *truSculpt* and *Secret RF* systems, primarily offset by softness in the overall women’s health market, competitive trends affecting certain legacy systems, and greater than expected turnover in our North American salesforce in the fourth quarter.
 - International revenue grew 1% in the fourth quarter and 7% for the full year 2018. Full year results reflect double-digit growth in the Middle East and Asia (excluding Japan).
 - **Gross Margin** for the fourth quarter was 41%, compared to 57% in the prior year period. For the full year 2018, gross margin was 49% versus 57% for the prior year. The decrease in fourth quarter gross margin reflects pricing headwinds across the portfolio of legacy systems, channel mix, and a \$5.0 million charge, of which \$1.1 million was utilized in the fourth quarter. This charge related to product remediation of one of our legacy systems. **Non-GAAP gross margin*** was 53% for both the fourth quarter and full year 2018, compared to 58% and 57% for the respective prior year periods.
 - **Operating expenses** for the fourth quarter and full year 2018 were 53% and 58% of revenue, respectively. This compares to 48% and 50% for the prior year periods. **Non-GAAP* operating expenses** for the fourth quarter and full year 2018 were 48% and 52% of revenue, respectively, as compared to 45% and 49% for the same prior year periods.
 - **GAAP Net Loss** for the fourth quarter and full year 2018 was \$26.3 million and \$30.8 million, or \$1.89 and \$2.23 loss per share on a basic and fully-diluted basis. GAAP net loss includes a valuation allowance of \$16.9 million against certain U.S. deferred tax assets in the fourth quarter. The recording of the valuation allowance resulted in a GAAP income tax provision of \$20.8 million in the fourth quarter of 2018. **Non-GAAP* net income** for full year 2018 was \$1.5 million, or \$0.11 per fully-diluted share.
-

“2018 was a year of achievements and challenges. Cutera launched four new products, including our next-generation body contouring system, *truSculpt iD*, which we expect to be a meaningful platform in this billion-dollar market. In addition, we continue to make progress streamlining multiple manufacturing and inventory processes, further enhancing our future growth,” stated Cutera Chief Operating Officer and Interim CEO, Jason Richey. “Like others in the aesthetic space, we encountered considerable headwinds affecting our overall results in the second half of 2018. As interim CEO, and with the full support of the Board of Directors, my priorities are clear --- position Cutera to grow faster than the market without sacrificing profitability, while improving the efficiencies of the Company’s infrastructure. We are executing on multiple initiatives in order to achieve these goals and I am optimistic about the Company’s future. I look forward to reporting our future progress.”

2019 Financial Outlook

- We expect full year revenue to be in the range of \$165 to \$175 million, a 2% - 8% increase over 2018;
- Full year Non-GAAP* gross margin is expected to improve over 2018 full year Non-GAAP* gross margin;
- Adjusted EBITDA* is expected to be in the range of \$2 million to \$4 million.

Conference Call

The Company will host a live audio webcast for interested parties commencing today at 1:30 p.m. PST (4:30 p.m. EST). Participating in the call will be Jason Richey, Chief Operating Officer and Interim Chief Executive Officer and Sandra Gardiner, Executive Vice President and Chief Financial Officer. The call will be broadcast live over the Internet, hosted at the Investor Relations section of Cutera's website at <http://www.cutera.com/>, and will be available online within 24 hours of its completion through May 20, 2019. In addition, you may call 1-877-705-6003 to listen to the live broadcast.

CONTACTS:

Cutera, Inc.

Matthew Scalo
Vice President, Investor Relations & Corporate Development
415-657-5500
mscaloc@cutera.com

Investor Relations

John Mills
Partner, ICR, Inc.
646-277-1254
john.mills@icrinc.com

About Cutera, Inc.

Brisbane, California-based Cutera is a leading provider of laser and other energy-based aesthetic systems for practitioners worldwide. Since 1998, Cutera has developed innovative, easy-to-use products that enable physicians and other qualified practitioners to offer safe and effective aesthetic treatments to their patients. For more information, call 1-888-4CUTERA or visit www.cutera.com.

*Use of Non-GAAP Financial Measures

In this press release, in order to supplement our condensed consolidated financial statements presented in accordance with Generally Accepted Accounting Principles, or GAAP, management has disclosed certain non-GAAP financial measures for the statement of operations and net income (loss) per diluted share. Non-GAAP adjustments include stock-based compensation, depreciation, amortization, product remediation charges, and Enterprise Resource Planning ("ERP") system implementation costs, as well as the net tax impact of excluding these items. From time to time in the future, there may be other items that we may exclude if we believe that doing so is consistent with the goal of providing useful information to investors and management. We have provided a reconciliation of each non-GAAP financial measure used in this earnings release to the most directly comparable GAAP financial measure. We have not provided a reconciliation of non-GAAP guidance measures to the corresponding GAAP measures on a forward-looking basis due to the potential significant variability, limited visibility, unpredictability, or unique non-recurring nature of the items. Forward-looking non-GAAP measures include adjusted EBITDA. We define adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, stock-based compensation, product remediation charges outside the scope of our typical recurring warranty and service costs, and charges related to ERP software implementation costs.

Company management uses these measurements as aids in monitoring the Company's ongoing financial performance from quarter to quarter, and year to year, on a regular basis and for benchmarking against other similar companies. Non-GAAP financial measures used by the Company may be calculated differently from, and therefore may not be comparable to, similarly titled measures used by other companies. These non-GAAP financial measures should be considered along with, but not as alternatives to, the operating performance measure as prescribed by GAAP. Non-GAAP financial measures for the statement of operations and net income per diluted share exclude the following:

Non-cash expenses for stock-based compensation. We have excluded the effect of stock-based compensation expenses in calculating our non-GAAP operating expenses and net income measures. Although stock-based compensation is a key incentive offered to our employees, we continue to evaluate our business performance excluding stock-based compensation expenses. We record stock-based compensation expense related to grants of options, performance and restricted stock. Depending upon the size, timing and the terms of the grants, this expense may vary significantly but will recur in future periods. We believe that excluding stock-based compensation better allows for comparisons to our peer companies;

Depreciation and amortization. We have excluded depreciation and amortization expense in calculating our non-GAAP operating expenses and net income measures. Depreciation and amortization are non-cash charges to current operations;

Product Remediation. We have excluded costs incurred to remediate an issue related to a legacy product. These costs include the repair of products in use, in inventory, and in production, and are outside the scope of our typical recurring warranty and service costs; and

Enterprise Resource Planning. We have excluded ERP system costs related to direct and incremental costs incurred in connection with our multi-phase implementation of a new ERP solution and the related technology infrastructure costs.

We believe that excluding all of the items above allows users of our financial statements to better review and assess both current and historical results of operations.

Safe Harbor Statement

Certain statements in this press release, other than purely historical information, are “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act, and Section 21E of the Securities Exchange Act of 1934, as amended (the “Exchange Act”). These statements include, but are not limited to, Cutera’s plans, objectives, strategies, financial performance and outlook, product launches and performance, trends, prospects or future events and involve known and unknown risks that are difficult to predict. As a result, our actual financial results, performance, achievements or prospects may differ materially from those expressed or implied by these forward-looking statements. In some cases, you can identify forward-looking statements by the use of words such as “may,” “could,” “seek,” “guidance,” “predict,” “potential,” “likely,” “believe,” “will,” “should,” “expect,” “anticipate,” “estimate,” “plan,” “intend,” “forecast,” “foresee” or variations of these terms and similar expressions, or the negative of these terms or similar expressions. Forward-looking statements are based on management’s current, preliminary expectations and are subject to risks and uncertainties, which may cause Cutera’s actual results to differ materially from the statements contained herein. These statements are not guarantees of future performance, and stockholders should not place undue reliance on forward-looking statements. There are a number of risks, uncertainties and other important factors, many of which are beyond our control, that could cause our actual results to differ materially from the forward-looking statements contained in this press release, including those described in the “Risk Factors” section of Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, the Registration Statement on Form S-8 and other documents filed from time to time with the United States Securities and Exchange Commission by Cutera.

All information in this press release is as of the date of its release. Accordingly, undue reliance should not be placed on forward-looking statements. Cutera undertakes no obligation to update publicly any forward-looking statements to reflect new information, events or circumstances after the date they were made, or to reflect the occurrence of unanticipated events. If we update one or more forward-looking statements, no inference should be drawn that we will make additional updates with respect to those or other forward-looking statements. Cutera’s financial performance for the fourth quarter and full year ended December 31, 2018, as discussed in this release, is preliminary and unaudited, and subject to adjustment.

CUTERA, INC.
CONDENSED CONSOLIDATED BALANCE SHEETS
(in thousands)
(unaudited)

	December 31, 2018	September 30, 2018	December 31, 2017 ⁽¹⁾
Assets			
Current assets:			
Cash and cash equivalents	\$ 26,052	\$ 21,866	\$ 14,184
Marketable investments	9,523	5,018	21,728
Accounts receivable, net	19,637	25,444	20,777
Inventories	28,014	31,322	28,782
Other current assets and prepaid expenses	3,972	3,716	2,903
Total current assets	<u>87,198</u>	<u>87,366</u>	<u>88,374</u>
Property and equipment, net	2,672	2,784	2,096
Deferred tax asset	457	21,402	19,055
Goodwill	1,339	1,339	1,339
Other long-term assets	5,971	6,048	374
Total assets	<u>\$ 97,637</u>	<u>\$ 118,939</u>	<u>\$ 111,238</u>
Liabilities and Stockholders' Equity			
Current liabilities:			
Accounts payable	\$ 11,279	\$ 13,321	\$ 7,002
Accrued liabilities	23,300	22,904	26,848
Extended warranty liabilities	3,159	-	-
Deferred revenue	9,882	8,939	9,461
Total current liabilities	<u>47,620</u>	<u>45,164</u>	<u>43,311</u>
Deferred revenue, net of current portion	2,684	2,380	2,195
Income tax liability	394	352	379
Other long-term liabilities	553	640	460
Total liabilities	<u>51,251</u>	<u>48,536</u>	<u>46,345</u>
Stockholders' equity:			
Common stock	14	14	13
Additional paid-in capital	70,451	68,180	62,025
Accumulated income/(loss)	(24,010)	2,283	2,947
Accumulated other comprehensive loss	(69)	(74)	(92)
Total stockholders' equity	<u>46,386</u>	<u>70,403</u>	<u>64,893</u>
Total liabilities and stockholders' equity	<u>\$ 97,637</u>	<u>\$ 118,939</u>	<u>\$ 111,238</u>

(1) As of January 1, 2018, the Company adopted the requirements of ASC 606 using the modified retrospective method, and as a result, there is a lack of comparability to the prior periods presented.

CUTERA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31, 2018	December 31, 2017 ⁽¹⁾	December 31, 2018	December 31, 2017 ⁽¹⁾
Products	\$ 39,946	42,972	\$ 142,535	132,660
Service	5,523	4,660	20,185	18,833
Total net revenue	<u>45,469</u>	<u>47,632</u>	<u>162,720</u>	<u>151,493</u>
Products	19,967	17,520	66,843	56,363
Service	6,716	2,779	15,495	9,020
Total cost of revenue	<u>26,683</u>	<u>20,299</u>	<u>82,338</u>	<u>65,383</u>
Gross profit	18,786	27,333	80,382	86,110
Gross margin %	41%	57%	49%	57%
Operating expenses:				
Sales and marketing	15,318	15,362	58,420	52,070
Research and development	3,464	3,481	14,359	12,874
General and administrative	5,494	3,947	20,995	14,090
Lease termination income	-	-	-	(4,000)
Total operating expenses	<u>24,276</u>	<u>22,790</u>	<u>93,774</u>	<u>75,034</u>
Income (loss) from operations	(5,490)	4,543	(13,392)	11,076
Interest and other income (expense), net	(44)	138	(123)	884
Income (loss) before income taxes	(5,534)	4,681	(13,515)	11,960
Provision (benefit) for income taxes	20,759	(18,199)	17,255	(18,033)
Net income (loss)	<u>\$ (26,293)</u>	<u>\$ 22,880</u>	<u>\$ (30,770)</u>	<u>\$ 29,993</u>
Net income (loss) per share:				
Basic	\$ (1.89)	\$ 1.66	\$ (2.23)	\$ 2.16
Diluted	<u>\$ (1.89)</u>	<u>\$ 1.57</u>	<u>\$ (2.23)</u>	<u>\$ 2.04</u>
Weighted-average number of shares used in per share calculations:				
Basic	13,932	13,744	13,771	13,873
Diluted	<u>13,932</u>	<u>14,569</u>	<u>13,771</u>	<u>14,728</u>

(1) As of January 1, 2018, the Company adopted the requirements of ASC 606 using the modified retrospective method, and as a result, there is a lack of comparability to the prior periods presented.

CUTERA, INC.
CONSOLIDATED FINANCIAL HIGHLIGHTS
(in thousands, except percentage data)
(unaudited)

	Three Months Ended		% Change 2018 Vs 2017	Twelve Months Ended		% Change 2018 Vs 2017
	December 31, 2018	December 31, 2017 ⁽¹⁾		December 31, 2018	December 31, 2017 ⁽¹⁾	
Revenue By Geography:						
United States	\$ 28,265	\$ 30,524	-7%	\$ 101,862	\$ 94,581	+8%
International	17,204	17,108	+1%	60,858	56,912	+7%
<i>Total Net Revenue</i>	<u>\$ 45,469</u>	<u>\$ 47,632</u>	<u>-5%</u>	<u>\$ 162,720</u>	<u>\$ 151,493</u>	<u>+7%</u>
<i>International as a percentage of total revenue</i>	38%	36%		37%	38%	
Revenue By Product Category:						
Systems						
- North America	\$ 26,519	\$ 29,383	-10%	\$ 93,977	\$ 88,338	+6%
- Rest of World	10,349	11,531	-10%	38,618	37,544	+3%
<i>Total Systems</i>	36,868	40,914	-10%	132,595	125,882	+5%
Consumables	1,281	692	+85%	4,162	2,436	+71%
Skincare	1,797	1,366	+32%	5,778	4,342	+33%
<i>Total Products</i>	39,946	42,972	-7%	142,535	132,660	+7%
Service	5,523	4,660	+19%	20,185	18,833	+7%
<i>Total Net Revenue</i>	<u>\$ 45,469</u>	<u>\$ 47,632</u>	<u>-5%</u>	<u>\$ 162,720</u>	<u>\$ 151,493</u>	<u>+7%</u>

(1) As of January 1, 2018, the Company adopted the requirements of ASC 606 using the modified retrospective method, and as a result, there is a lack of comparability to the prior periods presented.

	Three Months Ended		Twelve Months Ended	
	December 31, 2018	December 31, 2017	December 31, 2018	December 31, 2017
Pre-tax Stock-Based Compensation Expense:				
Cost of revenue	\$ 167	\$ 283	\$ 743	\$ 660
Sales and marketing	360	427	2,104	1642
Research and development	208	303	825	936
General and administrative	897	474	3,484	1872
	<u>\$ 1,632</u>	<u>\$ 1,487</u>	<u>\$ 7,156</u>	<u>\$ 5,110</u>

CUTERA, INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)
(unaudited)

	Three Months Ended		Twelve Months Ended	
	December 31, 2018	December 31, 2017⁽¹⁾	December 31, 2018	December 31, 2017⁽¹⁾
Cash flows from operating activities:				
Net income (loss)	\$ (26,293)	\$ 22,880	\$ (30,770)	\$ 29,993
Adjustments to reconcile net income (loss) to net cash provided by operating activities:				
Stock-based compensation	1,632	1,487	7,156	5,110
Depreciation of tangible assets	360	266	1,209	1,016
Amortization of contract acquisition costs	530	-	1,834	-
Change in deferred tax asset	20,945	(18,678)	17,438	(18,678)
Provision for doubtful accounts receivable	380	8	1,257	(1)
Other	26	7	241	(51)
Changes in assets and liabilities:				
Accounts receivable	5,427	(1,181)	(117)	(4,229)
Inventories	3,308	(5,054)	768	(13,805)
Other current assets and prepaid expenses	(273)	42	(1,070)	(591)
Other long-term assets	(453)	7	(2,754)	6
Accounts payable	(2,042)	1,197	4,277	4,404
Accrued liabilities	396	4,588	(3,781)	9,345
Extended warranty liabilities	3,159	-	3,159	-
Other long-term liabilities	35	-	140	-
Deferred revenue	1,247	905	1,305	1,557
Income tax liability	42	208	15	211
Net cash provided by operating activities	<u>8,426</u>	<u>6,682</u>	<u>307</u>	<u>14,287</u>
Cash flows from investing activities:				
Acquisition of property, equipment and software	(274)	(412)	(1,488)	(855)
Disposal of property and equipment	-	-	41	53
Proceeds from sales of marketable investments	-	24,486	13,044	33,640
Proceeds from maturities of marketable investments	2,000	6,200	10,050	45,812
Purchase of marketable investments	(6,484)	(16,800)	(10,874)	(60,956)
Net cash provided by (used in) investing activities	<u>(4,758)</u>	<u>13,474</u>	<u>10,773</u>	<u>17,694</u>
Cash flows from financing activities:				
Repurchases of common stock	-	(21,391)	-	(35,167)
Proceeds from exercise of stock options and employee stock purchase plan	796	869	4,399	5,435
Taxes paid related to net share settlement of equity awards	(157)	(137)	(3,128)	(1,469)
Payments on capital lease obligations	(121)	(97)	(483)	(371)
Net cash provided by (used in) financing activities	<u>518</u>	<u>(20,756)</u>	<u>788</u>	<u>(31,572)</u>
Net increase (decrease) in cash and cash equivalents	4,186	(600)	11,868	409
Cash and cash equivalents at beginning of period	21,866	14,784	14,184	13,775
Cash and cash equivalents at end of period	<u>\$ 26,052</u>	<u>\$ 14,184</u>	<u>\$ 26,052</u>	<u>\$ 14,184</u>

(1) As of January 1, 2018, the Company adopted the requirements of ASC 606 using the modified retrospective method, and as a result, there is a lack of comparability to the prior periods presented.

CUTERA, INC.
RECONCILIATION OF GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
TO NON-GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	<i>Three Months Ended December 31, 2018</i>			<i>Three Months Ended December 31, 2017</i>		
	<u>GAAP</u>	<u>Adjustments*</u>	<u>Non-GAAP</u>	<u>GAAP⁽¹⁾</u>	<u>Adjustments*</u>	<u>Non-GAAP</u>
Net revenue	\$ 45,469	\$ -	\$ 45,469	\$ 47,632	\$ -	\$ 47,632
Cost of revenue	26,683	(5,217) (a)	21,466	20,299	(377) (a)	19,922
Gross profit	18,786	5,217	24,003	27,333	377	27,710
Gross margin %	41%		53%	57%		58%
Operating expenses:						
Sales and marketing	15,318	(1,052) (b)	14,266	15,362	(586) (b)	14,776
Research and development	3,464	(231) (c)	3,233	3,481	(314) (c)	3,167
General and administrative	5,494	(1,194) (d)	4,300	3,947	(476) (d)	3,471
Total operating expenses	24,276	(2,477)	21,799	22,790	(1,376)	21,414
Income (loss) from operations	(5,490)	7,694	2,204	4,543	1,753	6,296
Interest and other income (expense), net	(44)	-	(44)	138	-	138
Income (loss) before income taxes	(5,534)	7,694	2,160	4,681	1,753	6,434
Provision (benefit) for income taxes	20,759	(17,037) (e)	3,722	(18,199)	18,491 (e)	292
Net income (loss)	<u>\$ (26,293)</u>	<u>\$ 24,731</u>	<u>\$ (1,562)</u>	<u>\$ 22,880</u>	<u>\$ (16,738)</u>	<u>\$ 6,142</u>
Net income (loss) per share:						
Basic	<u>\$ (1.89)</u>		<u>\$ (0.11)</u>	<u>\$ 1.66</u>		<u>\$ 0.45</u>
Diluted	<u>\$ (1.89)</u>		<u>\$ (0.11)</u>	<u>\$ 1.57</u>		<u>\$ 0.42</u>
Weighted-average number of shares used in per share calculations:						
Basic	<u>13,932</u>		<u>13,932</u>	<u>13,744</u>		<u>13,744</u>
Diluted	<u>13,932</u>		<u>13,932</u>	<u>14,569</u>		<u>14,569</u>

(1) As of January 1, 2018, the Company adopted the requirements of ASC 606 using the modified retrospective method, and as a result, there is a lack of comparability to the prior periods presented.

Operating expenses as a % of net revenue	<u>GAAP</u>	<u>Non-GAAP</u>	<u>GAAP⁽¹⁾</u>	<u>Non-GAAP</u>
Sales and marketing	33.7%	31.4%	32.3%	31.0%
Research and development	7.6%	7.1%	7.3%	6.6%
General and administrative	12.1%	9.5%	8.3%	7.3%
	<u>53.4%</u>	<u>47.9%</u>	<u>47.8%</u>	<u>45.0%</u>

* Fiscal fourth quarter of 2018 and 2017 Non-GAAP results exclude the effect of the below mentioned adjustments (\$000s):

- a) Adjustment of \$5,217 and \$377 for 2018 and 2017, respectively, included non-cash expenses of \$94 and \$94 related to depreciation, and \$167 and \$283 of stock-based compensation. The 2018 adjustment also included \$4,956 related to a component replacement in one of our legacy systems.
- b) Adjustment of \$1,052 and \$586 for 2018 and 2017, respectively, included non-cash expenses of \$692 and \$159 related to depreciation and amortization, and \$360 and \$427 of stock-based compensation.
- c) Adjustment of \$231 and \$314 for 2018 and 2017, respectively, included non-cash expenses of \$23 and \$11 related to depreciation, and \$208 and \$303 of stock-based compensation.
- d) Adjustment of \$1,194 and \$476 for 2018 and 2017, respectively, included non-cash expenses of \$81 and \$2 related to depreciation and \$897 and \$474 for stock-based compensation. The 2018 adjustment also included \$216 for costs related to ERP implementation.
- e) The 2018 adjustment of \$17,037 included recording a valuation allowance of \$16,906 against certain U.S. deferred tax assets and net impact of excluding the Non-GAAP adjustments from our tax provision. As a result of recording a valuation allowance in Q4'2018, the 2018 adjustment also includes the reversal of \$2.85M in discrete tax benefits related to excess stock deduction activity for the nine months ended September 30, 2018. The 2017 adjustment of (\$18,491) included \$18,741 for the release of a significant portion of our valuation allowance against certain U.S. deferred tax assets, partially offset by our revised measurement of U.S. deferred tax assets resulting from the 2017 US Tax Reform; offset by \$248 for establishing a foreign transfer pricing contingency reserve and the net impact of excluding the Non-GAAP adjustments from our tax provision.

CUTERA, INC.
RECONCILIATION OF GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
TO NON-GAAP CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)
(unaudited)

	<i>Twelve Months Ended December 31, 2018</i>			<i>Twelve Months Ended December 31, 2017</i>		
	<u>GAAP</u>	<u>Adjustments*</u>	<u>Non-GAAP</u>	<u>GAAP⁽¹⁾</u>	<u>Adjustments*</u>	<u>Non-GAAP</u>
Net revenue	\$ 162,720	\$ -	\$ 162,720	\$ 151,493	\$ -	\$ 151,493
Cost of revenue	82,338	(6,018) (a)	76,320	65,383	(989) (a)	64,394
Gross profit	80,382	6,018	86,400	86,110	989	87,099
Gross margin %	49%		53%	57%		57%
Operating expenses:						
Sales and marketing	58,420	(4,562) (b)	53,858	52,070	(2,300) (b)	49,770
Research and development	14,359	(899) (c)	13,460	12,874	(961) (c)	11,913
General and administrative	20,995	(3,892) (d)	17,103	14,090	(1,876) (d)	12,214
Lease termination income	-	-	-	(4,000)	4,000 (e)	-
Total operating expenses	93,774	(9,353)	84,421	75,034	(1,137)	73,897
Income (loss) from operations	(13,392)	15,371	1,979	11,076	2,126	13,202
Interest and other income (expense), net	(123)	-	(123)	884	-	884
Income (loss) before income taxes	(13,515)	15,371	1,856	11,960	2,126	14,086
Provision (benefit) for income taxes	17,255	(16,906) (f)	349	(18,033)	18,411 (f)	378
Net income (loss)	\$ (30,770)	\$ 32,277	\$ 1,507	\$ 29,993	\$ (16,285)	\$ 13,708
Net income (loss) per share:						
Basic	\$ (2.23)		\$ 0.11	\$ 2.16		\$ 0.99
Diluted	\$ (2.23)		\$ 0.11	\$ 2.04		\$ 0.93
Weighted-average number of shares used in per share calculations:						
Basic	13,771		13,771	13,873		13,873
Diluted	13,771		14,305	14,728		14,728

(1) As of January 1, 2018, the Company adopted the requirements of ASC 606 using the modified retrospective method, and as a result, there is a lack of comparability to the prior periods presented.

Operating expenses as a % of net revenue	<u>GAAP</u>	<u>Non-GAAP</u>	<u>GAAP⁽¹⁾</u>	<u>Non-GAAP</u>
Sales and marketing	35.9%	33.1%	34.4%	32.9%
Research and development	8.8%	8.3%	8.5%	7.9%
General and administrative	12.9%	10.5%	9.3%	8.1%
Lease termination income	0.0%	0.0%	-2.6%	0.0%
	<u>57.6%</u>	<u>51.9%</u>	<u>49.5%</u>	<u>48.8%</u>

* Year-to-date December 31, 2018 and 2017 Non-GAAP results exclude the effect of the below mentioned adjustments (\$'000s):

- a) Adjustment of \$6,018 and \$989 for 2018 and 2017, respectively, included non-cash expenses of \$319 and \$329 related to depreciation, and \$743 and \$660 of stock-based compensation. The 2018 adjustment also included \$4,956 recorded in Q4'2018 related to a component replacement in one of our legacy systems.
- b) Adjustment of \$4,562 and \$2,300 for 2018 and 2017, respectively, included non-cash expenses of \$2,458 and \$658 related to depreciation and amortization, and \$2,104 and \$1,642 of stock-based compensation.
- c) Adjustment of \$899 and \$961 for 2018 and 2017, respectively, included non-cash expenses of \$74 and \$25 related to depreciation, and \$825 and \$936 of stock-based compensation.
- d) Adjustment of \$3,892 and \$1,876 for 2018 and 2017, respectively, included non-cash expenses of \$192 and \$4 related to depreciation and \$3,484 and \$1,872 for stock-based compensation. The 2018 adjustment also included \$216 for costs related to ERP implementation.
- e) Adjustment of \$4,000 represents non-recurring lease termination income.
- f) The 2018 adjustment of \$16,906 represents a valuation allowance against certain U.S. deferred tax assets. The 2017 adjustment of (\$18,411) included \$18,741 for the release of a significant portion of our valuation allowance against certain U.S. deferred tax assets, partially offset by our revised measurement of U.S. deferred tax assets resulting from the 2017 US Tax Reform; offset by \$248 for establishing a foreign transfer pricing contingency reserve and the net impact of excluding the Non-GAAP adjustments from our tax provision.



Cutera Appoints Katherine Zanotti and Joseph Whitters to its Board of Directors

February 20, 2019

BRISBANE, Calif., Feb. 20, 2019 (GLOBE NEWSWIRE) -- CUTERA, INC., (Nasdaq: [CUTR](#)) (“Cutera” or the “Company”) a leading provider of laser, light and other energy-based aesthetic systems for practitioners worldwide, announced today the appointment of two new independent members to its Board of Directors, Katherine S. Zanotti and Joseph E. Whitters. The Company also expects to nominate Ms. Zanotti and Mr. Whitters for election at Cutera’s 2019 Annual Meeting of Stockholders.

“We’re delighted to welcome Kay and Joe to our Board,” said J. Daniel Plants, Chairman of Cutera. “Their skills and experience complement that of our current Directors, strengthening the Board and Company as we execute on our operational improvement initiatives and pursue our growth strategy. Cutera is committed to robust corporate governance, including regular evaluation and enhancement of our Board’s composition, seeking the optimal mix of skills, expertise and experience to provide strategic direction and oversight of the Company.”

About Katherine Zanotti

Katherine S. Zanotti served as chief executive officer of Arbonne International from August 2009 until her retirement June 2018 following the sale of the company to Groupe Rocher. Ms. Zanotti has also served as Chairman of Natural Products Group (the holding company of Arbonne, Natures Gate, and Levlad) since March 2010. From July 2002 to March 2006, she served as senior vice president of marketing at McDonald’s Corporation. Ms. Zanotti is a retired vice president of the Procter & Gamble Company and most recently served as vice president and general manager of the North American pharmaceutical business and the corporate women’s health platform. Zanotti currently serves on the Board of Exact Sciences (NASDAQ: EXAS) and on the Board of Trustees of Xavier University. She previously served as a director of Hill-Rom Holdings, Inc., a worldwide manufacturer and provider of medical technologies and related services; Mentor Corporation, a medical device company; Alberto Culver Company, a personal care products company; and Third Wave Technologies, Inc., a molecular diagnostics company. She earned a bachelor’s degree in economics and studio fine arts from Georgetown University and an MBA in marketing and finance from Xavier University.

About Joseph Whitters

Joseph E. Whitters has been an advisor to Frazier Healthcare, a private equity firm, since 2005. From 1986 to 2005, Mr. Whitters served in various capacities with First Health Group Corp., a publicly traded managed care company, including Chief Financial Officer and most recently as an Executive Vice-President. Prior to that Mr. Whitters was with United Healthcare and Overland Express and began his career at Peat Marwick (now KPMG). Mr. Whitters currently serves as a member of the board of directors of Accuray, Inc. (NASDAQ: ARAY), InfuSystem Holdings, Inc. (ASE: INFU) and lead independent director of PRGX Global, Inc. (NASDAQ: PRGX). Previously, Mr. Whitters served on the boards of directors and audit committees of various public companies, including Analogic Corporation, Air Methods Corporation, Mentor Corporation and Omnicell Technologies. Mr. Whitters has also been an advisor or board member of several private companies. Mr. Whitters holds a B.A. in Accounting from Luther College.

For more information about Cutera and its products, visit www.Cutera.com.

About Cutera, Inc.

Brisbane, California-based Cutera is a leading provider of laser and other energy-based aesthetic systems for practitioners worldwide. Since 1998, Cutera has been developing innovative, easy-to-use products that enable physicians and other qualified practitioners to offer safe and effective aesthetic treatments to their patients. For more information, call 1-888-4CUTERA or visit www.cutera.com.

Cutera, Inc.
 Matthew Scalo
 VP, Investor Relations and Corporate Development
 415-657-5500
mscaloc@cutera.com



Source: Cutera, Inc.