

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, DC 20549

FORM 8-K

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

May 3, 2010  
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))

**Item 2.02. Results of Operations and Financial Condition.**

On May 3, 2010, we are issuing a press release and holding a conference call regarding our financial results for the first quarter ended March 31, 2010. 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 9.01. Financial Statements and Exhibits.**

**(d) Exhibits.**

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of Cutera, Inc. dated as of May 3, 2010.

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**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: May 3, 2010

/s/ KEVIN P. CONNORS

Kevin P. Connors  
President and Chief Executive Officer

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FOR IMMEDIATE RELEASE

CONTACTS:

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### **Cutera Reports First Quarter 2010 Results**

BRISBANE, Calif., May 3, 2010 -- Cutera, Inc. (NASDAQ: CUTR), a leading provider of laser and other energy-based aesthetic systems for practitioners worldwide, today reported financial results for the first quarter ended March 31, 2010.

First quarter 2010 revenue was \$13.7 million, compared to \$14.4 million in the same period last year. Net loss for the first quarter of 2010 was \$2.0 million, or \$0.15 per diluted share.

Kevin Connors, President and CEO of Cutera, stated, "Historically, our first quarter revenue is seasonally the lowest compared to the other quarters during a fiscal year. During the first quarter of 2010, our international revenue increased 14%, compared to the first quarter of 2009, however, our US revenue decreased on a year-over-year basis. Even though several industry reports indicate that our customers continue to experience strong patient demand from our products, the U.S. market continues to remain challenging as many of our prospective customers remain reluctant to purchase capital equipment."

"Our sales and marketing expenses decreased to \$6.4 million, or 46% of revenue, compared to \$7.0 million, or 49% of revenue, in the first quarter of 2009. This \$642,000 improvement was due primarily to our 2009 restructuring efforts. On a sequential basis, our sales and marketing expenses increased \$261,000 from the fourth quarter of 2009, due primarily to seasonal expenses associated with our largest trade show of the year and our annual sales meeting. In addition, we added a few new sales and marketing functions in the first quarter of 2010 to increase our focus on revenue growth."

"During the quarter, we made progress in the implementation of our strategic alliances with Obagi Medical Products, Inc. (NASDAQ: OMPI) and Sound Surgical Technologies LLC. We trained our applicable sales and service teams, enhanced our marketing plans, invested in inventories, and established our infrastructure to integrate these exciting new products through the international side of our organization. In February 2010, we commenced shipments of Obagi Medical's physician dispensed cosmeceutical products in Japan and are planning to launch the Vaser ultra-sound assisted liposuction device during the second quarter of this year. We believe these alliances will leverage our distribution network, enhance our product offering and increase revenue in selected international markets."

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Mr. Connors added, “We remain focused on key initiatives to increase future revenue levels and leverage our business model, which we expect will result in improved profitability. While the near-term prospects for our industry are difficult to predict, we believe that our worldwide distribution network, strong balance sheet with \$103.4 million in cash and investments – with no debt – a broad portfolio of products, and various research and development projects underway, offer continuing, long-term opportunities for our company.”

#### **Conference Call:**

The conference call to discuss these results is scheduled to begin at 2:00 p.m. PT (5:00 p.m. ET) on May 3, 2010. The call will be broadcast live over the Internet hosted at the Investor Relations section of Cutera's website at [www.cutera.com](http://www.cutera.com), and will be archived online within one hour of its completion through 8:59 p.m. PT (11:59 p.m. ET) on May 17, 2010. In addition, you may call (877) 407-0784 to listen to the live broadcast. Participating in the call will be Kevin Connors, President and Chief Executive Officer, and Ron Santilli, Executive Vice President and Chief Financial Officer.

#### **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](http://www.cutera.com).

*This press release contains forward-looking statements within the meaning of the U.S. Private Securities Litigation Reform Act of 1995. Specifically, statements concerning Cutera's ability to leverage its business model, increase revenue, manage costs and expenses, generate additional cash, increase profitability, develop and commercialize existing and new products and applications, and statements regarding long-term prospects and opportunities are forward-looking statements within the meaning of the Safe Harbor. 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. Potential risks and uncertainties that could affect Cutera's business and cause its financial results to differ materially from those contained in the forward-looking statements include the current economic uncertainty, which may reduce consumer demand for its products, cause potential customers to delay their purchase decisions and make it more difficult for some potential customers to obtain credit financing; its ability to increase revenue, manage costs and expenses and improve sales productivity and performance worldwide; its ability to successfully develop and acquire new products and applications and market them to both its installed base and new customers; the length of the sales cycle process; unforeseen events and circumstances relating to its operations; government regulatory actions; and those other factors described in the section entitled, “Risk Factors,” in its most recent Form 10-Q as filed with the Securities and Exchange Commission on May 3, 2010. Undue reliance should not be placed on forward-looking statements, which speak only as of the date they are made. 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. Cutera's first quarter ended March 31, 2010 financial performance, as discussed in this release, is preliminary and unaudited, and subject to adjustment.*

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

	<u>March 31,</u> <u>2010</u>	<u>December 31,</u> <u>2009</u>	<u>March 31,</u> <u>2009</u>
<b>Assets</b>			
Current assets:			
Cash and cash equivalents	\$ 22,519	\$ 22,829	\$ 35,793
Marketable investments	73,733	76,780	58,131
Accounts receivable, net	3,488	3,327	5,262
Inventories	6,953	6,408	9,846
Deferred tax asset	178	175	4,652
Other current assets and prepaid expenses	3,190	2,785	2,997
Total current assets	<u>110,061</u>	<u>112,304</u>	<u>116,681</u>
Property and equipment, net	796	847	1,241
Long-term investments	7,153	7,275	9,463
Intangibles, net	781	829	975
Deferred tax asset, net of current portion	97	97	6,312
Total assets	<u>\$ 118,888</u>	<u>\$ 121,352</u>	<u>\$ 134,672</u>
<b>Liabilities and Stockholders' Equity</b>			
Current liabilities:			
Accounts payable	\$ 1,898	\$ 1,081	\$ 1,535
Accrued liabilities	7,328	9,048	8,166
Deferred revenue	6,270	6,160	6,596
Total current liabilities	<u>15,496</u>	<u>16,289</u>	<u>16,297</u>
Deferred rent	1,398	1,493	1,658
Deferred revenue, net of current portion	1,594	1,968	4,001
Income tax liability	729	749	1,421
Total liabilities	<u>19,217</u>	<u>20,499</u>	<u>23,377</u>
Stockholders' equity:			
Common stock	13	13	13
Additional paid-in capital	86,150	85,248	81,450
Retained earnings	15,236	17,254	29,582
Accumulated other comprehensive income (loss)	(1,728)	(1,662)	250
Total stockholders' equity	<u>99,671</u>	<u>100,853</u>	<u>111,295</u>
Total liabilities and stockholders' equity	<u>\$ 118,888</u>	<u>\$ 121,352</u>	<u>\$ 134,672</u>

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

	Three Months Ended		
	March 31, 2010	December 31, 2009	March 31, 2009
Net revenue	\$ 13,749	\$ 15,416	\$ 14,430
Cost of revenue	5,829	5,783	5,936
Gross profit	<u>7,920</u>	<u>9,633</u>	<u>8,494</u>
Operating expenses:			
Sales and marketing	6,361	6,100	7,003
Research and development	1,454	1,888	1,743
General and administrative	2,242	2,063	2,520
Litigation settlement	-	-	850
Total operating expenses	<u>10,057</u>	<u>10,051</u>	<u>12,116</u>
Loss from operations	(2,137)	(418)	(3,622)
Interest and other income, net	166	174	599
Other-than-temporary impairments on long-term investments	-	-	-
Loss before income taxes	(1,971)	(244)	(3,023)
Provision (benefit) for income taxes	47	(251)	(1,195)
Net income (loss)	<u>\$ (2,018)</u>	<u>\$ 7</u>	<u>\$ (1,828)</u>
Net income (loss) per share:			
Basic	<u>\$ (0.15)</u>	<u>\$ 0.00</u>	<u>\$ (0.14)</u>
Diluted	<u>\$ (0.15)</u>	<u>\$ 0.00</u>	<u>\$ (0.14)</u>
Weighted-average number of shares used in per share calculations:			
Basic	<u>13,438</u>	<u>13,427</u>	<u>13,120</u>
Diluted	<u>13,438</u>	<u>13,610</u>	<u>13,120</u>

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

	<b>Three Months Ended</b>		
	<b>March 31, 2010</b>	<b>December 31, 2009</b>	<b>March 31, 2009</b>
<b>Cash flows from operating activities:</b>			
Net income (loss)	\$ (2,018)	\$ 7	\$ (1,828)
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:			
Stock-based compensation	828	840	1,045
Tax benefit from stock-based compensation	-	111	(26)
Excess tax deficit related to stock-based compensation	-	(23)	-
Depreciation and amortization	194	196	228
Provision for excess and obsolete inventories	(23)	363	373
Provision for doubtful accounts receivable	(82)	(25)	55
Change in deferred tax asset and deferred tax liability	(3)	(28)	(105)
Changes in assets and liabilities:			
Accounts receivable	(79)	(667)	475
Inventories	(522)	1,113	(292)
Other current assets and prepaid expenses	295	339	(914)
Accounts payable	817	(131)	(155)
Accrued liabilities	(1,760)	1,767	(682)
Deferred rent	(55)	(55)	(55)
Deferred revenue	(264)	(498)	(1,068)
Income tax liability	(20)	(133)	(31)
Net cash provided by (used in) operating activities	<u>(2,692)</u>	<u>3,176</u>	<u>(2,980)</u>
<b>Cash flows from investing activities:</b>			
Acquisition of property and equipment	(95)	(56)	(62)
Proceeds from sales of marketable and long-term investments	14,990	7,120	6,578
Proceeds from maturities of marketable investments	14,125	975	1,145
Purchase of marketable and long-term investments	(26,712)	(22,860)	(5,542)
Net cash (used in) provided by investing activities	<u>2,308</u>	<u>(14,821)</u>	<u>2,119</u>
<b>Cash flows from financing activities:</b>			
Proceeds from exercise of stock options and employee stock purchase plan	74	149	114
Excess tax benefit related to stock-based compensation	-	23	-
Net cash provided by financing activities	<u>74</u>	<u>172</u>	<u>114</u>
Net increase (decrease) in cash and cash equivalents	(310)	(11,473)	(747)
Cash and cash equivalents at beginning of period	22,829	34,302	36,540
Cash and cash equivalents at end of period	<u>\$ 22,519</u>	<u>\$ 22,829</u>	<u>\$ 35,793</u>



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

	<b>Three Months Ended</b>					
	<b>March 31, 2010</b>	<b>% of Revenue</b>	<b>December 31, 2009</b>	<b>% of Revenue</b>	<b>March 31, 2009</b>	<b>% of Revenue</b>
<b>Revenue By Geography:</b>						
United States	\$ 4,547	33%	\$ 5,298	34%	\$ 6,345	44%
International	9,202	67%	10,118	66%	8,085	56%
	<u>\$ 13,749</u>		<u>\$ 15,416</u>		<u>\$ 14,430</u>	
<b>Revenue By Product Category:</b>						
Products	\$ 7,445	54%	\$ 8,083	52%	\$ 7,652	53%
Product upgrades	1,203	9%	2,036	13%	1,754	12%
Service	3,314	24%	3,327	22%	3,253	23%
Titan refills	1,322	10%	1,524	10%	1,385	10%
Dermal fillers and cosmeceuticals	465	3%	446	3%	386	2%
	<u>\$ 13,749</u>		<u>\$ 15,416</u>		<u>\$ 14,430</u>	

