

ACCURAY INC
Form 10-Q
February 11, 2008

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 10-Q

- x** **QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended December 29, 2007

or

- o** **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934**

For the transition period from to

Commission File Number: 001-33301

ACCURAY INCORPORATED

(Exact Name of Registrant as Specified in Its Charter)

Delaware

(State or Other Jurisdiction of Incorporation or Organization)

20-8370041

(IRS Employer Identification No.)

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**1310 Chesapeake Terrace
Sunnyvale, California 94089**

(Address of Principal Executive Offices Including Zip Code)

(408) 716-4600

(Registrant's Telephone Number, Including Area Code)

Indicate by check mark whether the registrant: (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, or a non-accelerated filer. See definition of accelerated filer and large accelerated filer in Rule 12b-2 of the Exchange Act. (Check one):

Large accelerated filer Accelerated filer Non-accelerated filer

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of February 1, 2008, there were 55,126,775 shares of the Registrant's Common Stock, par value \$0.001 per share, outstanding.

Accuray Incorporated

Form 10-Q for the Quarter Ended December 31, 2007

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PART I. FINANCIAL INFORMATION**Item 1. Financial Statements****Accuray Incorporated****Condensed Consolidated Balance Sheets**

(in thousands, except share amounts)

	December 31, 2007 (unaudited)	June 30, 2007
Assets		
Current assets:		
Cash and cash equivalents	\$ 187,482	\$ 204,830
Accounts receivable, net of allowance for doubtful accounts of \$20 at December 31, 2007 and June 30, 2007	15,158	10,105
Inventories	15,432	16,984
Prepaid expenses and other current assets	6,798	7,937
Deferred cost of revenue - current	28,767	30,709
Total current assets	253,637	270,565
Property and equipment, net	28,117	23,937
Goodwill	4,495	4,495
Intangible assets, net	1,055	1,184
Deferred cost of revenue - noncurrent	21,939	30,522
Other assets	1,249	1,406
Total assets	\$ 310,492	\$ 332,109
Liabilities and stockholders' equity		
Current liabilities:		
Accounts payable	\$ 9,050	\$ 14,147
Accrued compensation	8,630	13,127
Other accrued liabilities	4,552	4,113
Customer advances - current	20,712	12,634
Deferred revenue - current	77,003	78,022
Total current liabilities	119,947	122,043
Long-term liabilities:		
Customer advances - noncurrent	2,850	8,388
Deferred revenue - noncurrent	47,332	76,235
Total liabilities	170,129	206,666
Commitments and contingencies (Note 6)		
Stockholders' equity		
Preferred stock, \$0.001 par value; authorized: 5,000,000 shares at December 31, 2007 and June 30, 2007; no shares issued and outstanding.		
Common stock, \$0.001 par value; authorized: 100,000,000 shares at December 31, 2007 and June 30, 2007; issued and outstanding: 55,267,398 and 55,045,347 shares, respectively, at December 31, 2007 and 53,798,643 and 53,798,643 shares, respectively, at June 30, 2007.	55	53
Additional paid-in capital	262,240	251,637

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Accumulated other comprehensive income (loss)	(31)	10
Accumulated deficit	(121,901)	(126,257)
Total stockholders' equity	140,363	125,443
Total liabilities and stockholders' equity	\$ 310,492	\$ 332,109

The accompanying notes are an integral part of these condensed consolidated financial statements.

Accuray Incorporated

Condensed Consolidated Statements of Operations

(in thousands, except per share amounts)

(unaudited)

	Three months ended December 31,		Six months ended December 31,	
	2007	2006	2007	2006
Net revenue:				
Products	\$39,131	\$19,309	\$76,115	