
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 8-K

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

Date of report (Date of earliest event reported): February 11, 2009

iROBOT CORPORATION

(Exact Name of Registrant as Specified in its Charter)

Delaware

(State or Other Jurisdiction of Incorporation)

000-51598

(Commission File Number)

77-0259335

(IRS Employer Identification No.)

8 Crosby Drive, Bedford, Massachusetts

(Address of Principal Executive Offices)

01730

(Zip Code)

Registrant's telephone number, including area code: (781) 430-3000

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))
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Item 2.02 Results of Operations and Financial Condition.

On February 11, 2009, iRobot Corporation announced its financial results for the fiscal quarter and year ended December 27, 2008. A copy of the press release is being furnished as Exhibit 99.1 to this Report on Form 8-K.

The information in this Report on Form 8-K and Exhibit 99.1 attached hereto is intended to be furnished and shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, except as expressly set forth by specific reference in such filing.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits:

99.1 Press Release issued by the registrant on February 11, 2009, furnished herewith.

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 hereunto duly authorized.

iRobot Corporation

February 11, 2009

By: /s/ Glen D. Weinstein

Name: Glen D. Weinstein

Title: General Counsel and Secretary

EXHIBIT INDEX

Exhibit Number	Description
99.1	Press Release issued by the registrant on February 11, 2009, furnished herewith.

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iRobot Reports Fourth Quarter and Full Year 2008 Results*Company Delivers 24 Percent Annual Revenue Growth*

BEDFORD, Mass., Feb. 11, 2009 — iRobot Corp. (NASDAQ: IRBT) today announced its financial results for the fiscal quarter and fiscal year ended December 27, 2008. Revenue for the fourth quarter of 2008 decreased 8.1 percent to \$90.7 million, compared with \$98.7 million for the same quarter one year ago. Revenue for the full year increased 23.5 percent to \$307.6 million from \$249.1 million for the full year 2007.

Gross margin for the fourth quarter decreased to 36.1 percent of revenue (\$32.7 million), compared with 36.6 percent of revenue (\$36.1 million) in the fourth quarter of 2007. For the full year, 2008 gross margin totaled 30.4 percent of revenue (\$93.5 million), down from 33.2 percent of revenue (\$82.6 million) for the full year 2007.

Pre-tax income in the fourth quarter of 2008 was \$10.2 million compared with \$12.1 million for the same period a year ago. For the full year, pre-tax income was \$1.1 million compared with \$0.5 million in 2007.

Net income in the fourth quarter of 2008 was \$5.4 million compared with \$20.7 million in the fourth quarter of 2007. Net income for the full year 2008 was \$0.8 million compared with \$9.1 million for the same period in 2007. The 2007 quarterly and annual results include an \$8.6 million tax benefit, largely associated with the release of deferred federal tax allowances, while the 2008 quarterly and annual results include \$4.8 million and \$0.4 million of tax expense, respectively.

“In the fourth quarter, we took actions to put the company in a more financially sound position. We aggressively managed inventory levels and focused on improving liquidity in light of the current market environment,” said Colin Angle, chairman and chief executive officer of iRobot.

“Despite the difficult environment, we generated positive operating cash flow of more than \$19 million in the fourth quarter. We entered 2009 with a strong cash position of \$40.9 million and a more efficient operating model.

“2009 will continue to present challenges for domestic home robot sales but aggressive management of the company’s and our retailers’ inventory in the fourth quarter of 2008 has

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positioned us well in the current environment. We expect international demand for home robots to continue to be strong. Growth in our Government & Industrial division will be fueled by sales of PackBot FasTac in the beginning of the year and by the sale of new products later in the year,” Angle concluded.

Business Highlights:

- Government & Industrial division delivered record revenue of \$42.6 million in the fourth quarter of 2008, a 69 percent increase over the fourth quarter of 2007.
- International home robot revenue in the fourth quarter of 2008 was more than double the level of the fourth quarter of 2007 and comprised almost half of total home robot revenue in the quarter. Overall home robot revenue grew 20 percent for the full year.
- In the fourth quarter, the company received commitments for \$5.7 million in funding for its Warrior robot. In 2009, iRobot has announced orders totaling \$13 million for robots and spare parts under its \$286 million xBot contract bringing total orders to date to \$80 million.
- The company completed the integration of Nekton Research, LLC, which was acquired on September 8, 2008.

Financial Expectations

Our outlook for future performance is based on current expectations. These statements are forward-looking and actual results may differ materially. Management provides the following expectations with respect to the year ending January 2, 2010 and the first quarter ending March 28, 2009.

Fiscal Year 2009:

Revenue	\$290 – \$310 million
Adjusted EBITDA	\$14 – \$17 million
Earnings Per Share	\$0.00 – \$0.04

Q1 2009:

Revenue	\$50 – \$55 million
Adjusted EBITDA Loss	(\$6) – (\$4) million
Loss Per Share	(\$0.18) – (\$0.12)

Fourth Quarter and Full Year Conference Call

iRobot will host a conference call tomorrow at 8:30 a.m. EST to discuss its financial results for the fourth fiscal quarter and full year 2008, business outlook, and outlook for future financial performance. Pertinent details include:

Date: Thurs., Feb. 12, 2009
Time: 8:30 a.m. EST
Call-In Number: 719-325-4835

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A live, audio broadcast of the conference call also will be available at <http://investors.irobot.com/events.cfm>. An archived version of the broadcast will be available on the same Web site shortly after the conclusion of the live event. A replay of the telephone conference call will be available and can be accessed by dialing 719-457-0820, access code 4192943.

About iRobot Corp.

iRobot designs and builds robots that make a difference. The company's home robots help people with smarter ways to clean, and our government and industrial robots protect those in harm's way. iRobot's consumer and military robots feature iRobot AWARE™ robot intelligence systems, proprietary technology incorporating advanced concepts in navigation, mobility, manipulation and artificial intelligence. For more information about iRobot, please visit www.irobot.com.

For iRobot Investors

Certain statements made in this press release that are not based on historical information are forward-looking statements which are made pursuant to the safe harbor provisions of the Private Securities Litigation Reform Act of 1995. This press release contains express or implied forward-looking statements relating to, among other things, iRobot Corp.'s expectations concerning future financial performance, its revenue for the first quarter of 2009 and the full year 2009, its Adjusted EBITDA for the first quarter of 2009 and the full year 2009, its earnings/loss per share for the first quarter of 2009 and the full year 2009, inventory control, and demand for and market acceptance of its products. These statements are neither promises nor guarantees, but are subject to a variety of risks and uncertainties, many of which are beyond our control, which could cause actual results to differ materially from those contemplated in these forward-looking statements. In particular, the risks and uncertainties include, among other things: general economic conditions, our ability to operate in an emerging market, fluctuations in our operating results and the seasonality of our business, our ability to enhance our current consumer robots or develop new consumer robots, our dependence on the U.S. federal government and government contracts, our ability to expand our product offering beyond our current markets, market acceptance of our products, our ability to manage our rapid growth, changes in government policies or spending priorities, and competition. Existing and prospective investors are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. iRobot Corp. undertakes no obligation to update or revise the information contained in this press release, whether as a result of new information, future events or circumstances or otherwise. For additional disclosure regarding these and other risks faced by iRobot Corp., see the disclosure contained in our public filings with the Securities and Exchange Commission.

Use of Non-GAAP Financial Measures

In evaluating its business, iRobot considers and uses Adjusted EBITDA as a supplemental measure of its operating performance. The Company defines Adjusted EBITDA as earnings before interest, taxes, depreciation and amortization, and non-cash stock compensation. The Company also presents Adjusted EBITDA because it believes it is frequently used by securities analysts, investors and other interested parties as a measure of financial performance.

The term Adjusted EBITDA is not defined under U.S. generally accepted accounting principles, or U.S. GAAP, and is not a measure of operating income, operating performance or liquidity presented in accordance with U.S. GAAP. Adjusted EBITDA has limitations as an analytical tool, and when assessing the Company's operating performance, investors should not consider Adjusted EBITDA in isolation, or as a substitute for net income (loss) or other consolidated income statement data prepared in accordance with U.S. GAAP. Among other things, Adjusted EBITDA does not reflect the Company's actual cash expenditures. Other companies may calculate similar measures

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differently than iRobot, limiting their usefulness as comparative tools. iRobot compensates for these limitations by relying primarily on its GAAP results and using Adjusted EBITDA only supplementally.

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iRobot Corporation
Consolidated Statement of Operations
(in thousands, except per share amounts)

	For the three months ended		For the twelve months ended	
	December 27, 2008	December 29, 2007	December 27, 2008	December 29, 2007
	(unaudited)		(audited)	
Revenue				
Product revenue	\$82,712	\$93,308	\$281,187	\$227,457
Contract revenue	7,990	5,432	26,434	21,624
Total	90,702	98,740	307,621	249,081
Cost of Revenue				
Product revenue	51,302	57,779	190,250	147,689
Contract revenue	6,687	4,827	23,900	18,805
Total	57,989	62,606	214,150	166,494
Gross Margin	32,713	36,134	93,471	82,587
Operating Expense				
Research & development	3,935	4,008	17,566	17,082
Selling & marketing	11,415	14,786	46,866	44,894
General & administrative	7,144	4,045	28,840	20,919
Litigation & related expenses	—	1,677	—	2,341
Total	22,494	24,516	93,272	85,236
Operating (loss) income	10,219	11,618	199	(2,649)
Other income, net	9	488	926	3,151
Pre-tax income	10,228	12,106	1,125	502
Income tax expense (benefit)	4,806	(8,609)	369	(8,558)
Net income	\$ 5,422	\$20,715	\$ 756	\$ 9,060
Net income per common share:				
Basic	\$ 0.22	\$ 0.85	\$ 0.03	\$ 0.37
Diluted	\$ 0.21	\$ 0.81	\$ 0.03	\$ 0.36
Shares used in Per Common Share Calculations:				
Basic	24,775	24,448	24,654	24,229
Diluted	25,451	25,519	25,533	25,501
Stock-based compensation included in above figures:				
Cost of product revenue	\$ 199	\$ 171	\$ 753	\$ 692
Cost of contract revenue	162	94	462	386
Research & development	133	125	359	377
Selling & marketing	322	241	1,055	1,074
General & administrative	815	665	3,310	2,182
Total	\$ 1,631	\$ 1,296	\$ 5,939	\$ 4,711

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iRobot Corporation
Condensed Consolidated Balance Sheet
(audited, in thousands)

	<u>December 27,</u> 2008	<u>December 29,</u> 2007
Assets		
Cash and equivalents	\$ 40,852	\$ 26,735
Short term investments	—	16,550
Accounts receivable, net	35,930	47,681
Unbilled revenues	2,014	2,244
Inventory, net	34,560	45,222
Deferred tax assets	7,299	5,905
Other current assets	3,340	2,268
Total current assets	<u>123,995</u>	<u>146,605</u>
Property, plant and equipment, net	22,929	15,694
Deferred tax assets	4,508	4,293
Other assets	12,246	2,500
Total assets	<u><u>\$ 163,678</u></u>	<u><u>\$ 169,092</u></u>
Liabilities and stockholders' equity		
Accounts payable	\$ 19,544	\$ 44,697
Accrued expenses	10,989	7,987
Accrued compensation	6,393	4,603
Deferred revenue and customer advances	2,632	1,578
Total current liabilities	<u>39,558</u>	<u>58,865</u>
Long term liabilities	4,444	—
Stockholders' equity	119,676	110,227
Total liabilities and stockholders' equity	<u><u>\$ 163,678</u></u>	<u><u>\$ 169,092</u></u>

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iRobot Corporation
Consolidated Statement of Cash Flows
(in thousands)

	For the three months ended		For the twelve months ended	
	December 27, 2008	December 29, 2007	December 27, 2008	December 29, 2007
	(unaudited)		(audited)	
Cash flows from operating activities:				
Net income	\$ 5,422	\$ 20,715	\$ 756	\$ 9,060
Adjustments to reconcile net income to net cash provided by (used in)				
operating activities:				
Depreciation and amortization	1,894	1,322	7,029	5,311
Loss on disposal of fixed assets	151	—	231	48
Stock-based compensation	1,631	1,296	5,939	4,711
In-process research and development relating to acquisition of Nekton Research LLC				
Benefit from deferred tax assets	(1,967)	(10,198)	(1,967)	(10,198)
Non-cash director deferred compensation	24	28	95	111
Changes in working capital — (use) source				
Accounts receivable	10,391	(12,524)	12,221	(19,171)
Unbilled revenue	258	513	230	(283)
Inventory	8,036	(1,511)	10,662	(24,332)
Other assets	5,888	(229)	(1,042)	595
Accounts payable	(11,810)	(1,251)	(25,350)	17,012
Accrued expenses	1,597	2,886	3,002	967
Accrued compensation	(1,869)	(2,985)	1,634	(624)
Deferred revenue	(101)	438	1,026	1,121
Change in long term liabilities	(108)	—	4,444	—
Net cash provided by (used in) operating activities	19,437	(1,500)	19,110	(15,672)
Cash flows from investing activities:				
Purchase of property and equipment	(1,228)	(3,896)	(14,817)	(10,352)
Purchase of Nekton Research LLC, net of cash received	2	—	(9,743)	—
Change in other assets	—	(2,500)	—	(2,500)
Purchases of investments	—	(8,200)	(29,997)	(52,950)
Sales of investments	16,197	17,950	46,547	101,200
Net cash provided by (used in) investing activities	14,971	3,354	(8,010)	35,398
Cash flows from financing activities:				
Borrowings under revolving credit line	—	—	5,500	—
Repayment of borrowings under revolving credit line	(5,500)	—	(5,500)	—
Income tax withholding payment associated with stock option exercise	—	—	—	(1,588)
Proceeds from stock option exercises	103	55	1,011	1,388
Tax benefit of excess stock based compensation deductions	1,326	1,626	2,006	1,626
Net cash provided by (used in) financing activities	(4,071)	1,681	3,017	1,426
Net increase in cash and cash equivalents	30,337	3,535	14,117	21,152
Cash and cash equivalents, at beginning of period	10,515	23,200	26,735	5,583
Cash and cash equivalents, at end of period	\$ 40,852	\$ 26,735	\$ 40,852	\$ 26,735

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iRobot Corporation
Supplemental Information
(unaudited)

	For the three months ended		For the twelve months ended	
	December 27, 2008	December 29, 2007	December 27, 2008	December 29, 2007
Revenue by business unit (in thousands):				
Home Robots				
Product	\$48,123	\$73,481	\$173,547	\$144,413
Contract	—	45	55	70
Government & Industrial				
Product	34,589	19,827	107,640	83,044
Contract	7,990	5,387	26,379	21,554
	<u>\$90,702</u>	<u>\$98,740</u>	<u>\$307,621</u>	<u>\$249,081</u>
Direct Revenue — Home Robots (in thousands)	\$ 8,183	\$13,314	\$ 30,697	\$ 33,770
Product Lifecycle Revenue — Government & Industrial (in thousands)	\$ 8,652	\$ 6,180	\$ 20,004	\$ 20,668
International Revenue (in thousands):				
Home Robots	\$23,159	\$10,326	\$ 65,942	\$ 21,723
Government & Industrial	\$ 475	\$ 3,057	\$ 6,045	\$ 10,923
Average selling prices for robot units:				
Home Robots	\$ 150	\$ 158	\$ 150	\$ 148
Government & Industrial (in thousands)	\$ 85	\$ 126	\$ 92	\$ 132
Gross Margin by business unit (in thousands):				
Home Robots	\$16,074	\$26,636	\$ 49,769	\$ 46,605
Government & Industrial	16,639	9,498	43,702	35,982
	<u>\$32,713</u>	<u>\$36,134</u>	<u>\$ 93,471</u>	<u>\$ 82,587</u>
Units shipped by business unit:				
Home Robots (in thousands)	293	441	1,054	898
Government & Industrial	306	108	951	471
Government & Industrial Funded Backlog (in thousands)	\$ 8,401	\$26,095	\$ 8,401	\$ 26,095
Days sales outstanding	38	46	38	46
Inventory turnover	6.0	5.1	6.0	5.1
Net cash provided by (used in) operating activities (in thousands)	\$19,437	\$ (1,500)	\$ 19,110	\$ (15,672)
Headcount	479	423	479	423

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