
UNITED STATES
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):

May 9, 2007

Stereotaxis, Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction
of incorporation)

000-50884

(Commission
File Number)

94-3120386

(I.R.S. Employer
Identification No.)

4320 Forest Park Avenue, St. Louis, Missouri

(Address of principal executive offices)

63108

(Zip Code)

Registrant's telephone number, including area code:

(314) 615-6940

Not Applicable

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:

- 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 1.01 Entry into a Material Definitive Agreement.

On May 5, 2007, Stereotaxis, Inc. (the "Company") entered into an Alliance Expansion Agreement with Biosense Webster, Inc. ("Biosense"). The Alliance Expansion Agreement amends the Development Alliance and Supply Agreement dated as of May 7, 2002, as amended pursuant to the Amendment to Development and Supply Agreement dated as of November 3, 2003, to expand the strategic alliance to integrate technology platforms, specifically the Stereotaxis Niobe System and the Biosense Webster CARTO mapping and localization system. The Alliance Expansion Agreement extends the current worldwide agreement for the development and distribution of magnetically enabled irrigated tip catheters by two years, through December 31, 2011. Additionally, beyond electrophysiology, the two companies have agreed to explore opportunities for expanding their integrated technology for the delivery of cells and other biological agents for the treatment of heart failure.

Item 2.02 Results of Operations and Financial Condition.

On May 9, 2007, the Company issued a press release setting forth its financial results for the first quarter of fiscal 2007. A copy of the press release is being filed as Exhibit 99.1 hereto, and the statements contained therein are incorporated by reference herein.

In accordance with General Instruction B.2 of Form 8-K, the information contained in this Item 2.02 and the Exhibit attached hereto shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section, nor shall they be deemed 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 7.01 Regulation FD Disclosure.

On May 9, 2007, the Company and Biosense issued a joint press release announcing the entry into the Alliance Expansion Agreement described in Item 1.01 above. A copy of this press release is attached hereto as Exhibit 99.2.

The information furnished in this Item 7.01 (including the press release attached as Exhibit 99.2) is being furnished and shall not be deemed "filed" for purposes of Section 18 of the Securities and 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, as amended, or the Exchange Act, regardless of any general incorporation language in such filing. In addition, this report (including the press release attached as Exhibit 99.2) shall not be deemed an admission as to the materiality of any information contained herein that is required to be disclosed solely as a requirement of this Item.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

99.1 Press release dated May 9, 2007 (announcing earnings).

99.2 Press release dated May 9, 2007 (announcing Alliance Expansion Agreement)

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.

Stereotaxis, Inc.

May 9, 2007

By: *James M. Stolze*

Name: James M. Stolze

Title: Vice President and Chief Financial Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated May 9, 2007 (announcing earnings)
99.2	Press Release dated May 9, 2007 (announcing Alliance Extension Agreement)

Contacts:

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STEREOTAXIS ANNOUNCES RECORD FIRST QUARTER RESULTS

Management to Host Conference Call Today at 8:30 AM Eastern Daylight Time

St. Louis, MO, May 9, 2007 – Stereotaxis, Inc. (NASDAQ: STXS) today reported revenue of \$9.2 million for the quarter ended March 31, 2007, greater than a fourfold increase over the revenue of \$1.7 million for the first quarter of 2006.

System revenue amounted to \$7.2 million in the first quarter of 2007 compared to \$1.0 million in the prior year quarter as a result of the increase in the number of systems recognized. The average system price realized increased approximately 22 percent in the 2007 quarter compared to the 2006 quarter. Disposables, service and accessories revenue increased to \$2.0 million from \$749,000 in the prior year quarter. Gross profit amounted to \$5.9 million in the current quarter, resulting in a 65 percent gross margin for the 2007 quarter, compared to \$500,000, or a 29 percent margin for the 2006 quarter. As of March 31, 2007, Stereotaxis had delivered 72 Niobe systems worldwide.

First quarter operating expenses were approximately \$16.7 million, compared to \$15.0 million incurred during the first quarter of 2006. The increase was primarily attributed to increased salary, benefits and travel expenses associated with expanded sales headcount, offset by lower research and development costs compared to the prior year quarter.

Net loss for the first quarter ended March 31, 2007 was approximately \$10.5 million, compared to \$14.6 million reported in the prior year quarter. Net loss per diluted share for the current quarter was \$0.31 compared to the \$0.47 loss reported for the prior year quarter. Diluted earnings per share were based on 34.4 million and 31.2 million weighted average shares outstanding, respectively, for the two quarters. The change in weighted average shares relates primarily to the issuance of 1.9 million shares in the Company's sale of common stock in a registered direct offering completed in March 2007 pursuant to a shelf registration and the exercise of warrants during 2006.

At March 31, 2007, Stereotaxis had purchase orders and other commitments for its Niobe® systems of approximately \$49 million. The Company does not include orders for disposables, service or accessories in its backlog data. These purchase orders and commitments are subject to contingencies that are outside our control and may be revised, modified or canceled.

“We are very pleased with the performance of the Company in the first quarter of 2007. With approximately \$11 million in new orders and total revenue for the quarter of \$9.2 million, we have established the foundation for our expected 2007 full year objectives”, commented Bevil Hogg, Chief Executive Officer of Stereotaxis. “We are also excited about the recent approvals of the eight millimeter catheter in the U.S. and receipt of the CE Mark for the irrigated catheter, leaving only the FDA approval of the irrigated catheter to provide a full complement of ablation catheters to clinicians worldwide. We look forward to another exciting Heart Rhythm Society meeting beginning tomorrow, and believe that the scheduled symposium and other activities will further demonstrate advantages of the Stereotaxis Niobe system.”

Stereotaxis ended the first quarter with cash and investments of approximately \$49.4 million, as compared to approximately \$37.0 million at year-end 2006. Total debt at March 31, 2007 amounted to approximately \$1.7 million.

The Company continues to expect that total revenue for the year ending December 31, 2007 will be in the range of 90 percent to more than 100 percent greater than the \$27.2 million recorded in the year ended December 31, 2006. To reiterate, Stereotaxis' sales cycle, similar to other companies selling capital equipment to hospitals, is relatively long and can be subject to lumpiness from quarter to quarter, as hospital budget decisions and equipments installation schedules are often subject to last-minute delays. Prudence dictates that investors should anticipate the occasional impact on the Company's quarterly results of such unexpected delays.

The Company will host a conference call today at 8:30 a.m. Eastern Daylight Time to discuss the results for the quarter. To participate in the conference call, please dial 888.868.9083 (Domestic) or 973.935.8512 (International) a few minutes before 8:30 a.m. ET. A replay of the conference call will be available from 10:30 a.m. ET on May 9, 2007 until 9:30 a.m. p.m. ET on May 16, 2007. The replay dial in number is 877.519.4471 (Domestic) or 973.341.3080 (International). The replay pin number is 8739988.

The call will also be available on the Internet live and for 90 days thereafter at the following URL:

<http://www.videonewswire.com/event.asp?id=39485>

About Stereotaxis

Stereotaxis designs, manufactures and markets an advanced cardiology instrument control system for use in a hospital's interventional surgical suite to enhance the treatment of arrhythmias and coronary artery disease. The Stereotaxis System is designed to enable physicians to complete more complex interventional procedures by providing image guided delivery of catheters and guidewires through the blood vessels and chambers of the heart to treatment sites. This is achieved using computer-controlled, externally applied magnetic fields that govern the motion of the working tip of the catheter or guidewire, resulting in improved navigation, shorter procedure time and reduced x-ray exposure. The core components of the Stereotaxis system have received regulatory clearance in the U.S., Europe and Canada.

This press release includes statements that may constitute “forward- looking” statements, usually containing the words “believe,” “estimate,” “project,” “expect” or similar expressions. Forward-looking statements inherently involve risks and uncertainties that could cause actual results to differ materially from the forward-looking statements. Factors that would cause or contribute to such differences include, but are not limited to, continued acceptance of the Company’s products in the marketplace, competitive factors, changes in government reimbursement procedures, dependence upon third-party vendors, and other risks discussed in the Company’s periodic and other filings with the Securities and Exchange Commission. By making these forward-looking statements, the Company undertakes no obligation to update these statements for revisions or changes after the date of this release. There can be no assurance that we will recognize revenue related to our purchase orders and other commitments in any particular period or at all because some of these purchase orders and other commitments are subject to contingencies that are outside of our control. In addition, these orders and commitments may be revised, modified or canceled, either by their express terms, as a result of negotiations, or by project changes or delays.

STEREOTAXIS, INC.
STATEMENTS OF OPERATIONS
(Unaudited)

	Three Months Ended	
	March 31,	
	2007	2006
Systems revenue	\$ 7,207,443	\$ 982,597
Disposables, service and accessories revenue	1,953,512	749,196
Total revenue	9,160,955	1,731,793
Cost of revenue	3,250,348	1,231,991
Gross margin	5,910,607	499,802
Operating expenses:		
Research and development	5,694,691	6,129,870
General and administration	4,942,935	4,019,751
Sales and marketing	6,079,923	4,873,377
Total operating expenses	16,717,549	15,022,998
Operating loss	(10,806,942)	(14,523,196)
Interest income	382,454	480,992
Interest expense	(79,617)	(553,102)
Net loss	<u>\$ (10,504,105)</u>	<u>\$ (14,595,306)</u>
Net loss per common share:		
Basic and diluted	<u>\$ (0.31)</u>	<u>\$ (0.47)</u>
Weighted average shares used in computing net loss per common share:		
Basic and diluted	<u>34,409,573</u>	<u>31,155,200</u>

STEREOTAXIS, INC.
BALANCE SHEETS

	March 31, 2007	December 31, 2006
	(Unaudited)	
Assets		
Current Assets:		
Cash and cash equivalents	\$ 46,444,382	\$ 15,210,493
Short-term investments	2,993,211	21,773,288
Accounts receivable, net of allowance of \$91,514 and \$90,716 in 2007 and 2006, respectively	11,849,893	15,280,628
Current portion of long-term receivables	—	163,362
Inventories	10,019,323	8,285,825
Prepaid expenses and other current assets	1,635,426	
Total current assets	72,942,235	63,294,369
Property and equipment, net	5,395,515	4,130,295
Intangible assets, net	1,511,111	1,544,444
Long-term receivables	400,740	—
Other assets	316,410	321,552
Total assets	<u>\$ 80,566,011</u>	<u>\$ 69,290,660</u>
Liabilities and stockholders’ equity		
Current liabilities:		
Current maturities of long-term debt	\$ 1,500,000	\$ 1,666,666
Accounts payable	5,030,490	5,555,121
Accrued liabilities	11,030,310	10,025,231
Deferred contract revenue	5,058,903	5,663,553
Total current liabilities	22,619,703	22,910,571
Long term debt, less current maturities	222,223	305,556
Long term deferred contract revenue	1,098,612	1,220,174
Other liabilities	459,908	65,367
Stockholders’ equity:		
Preferred stock, par value \$0.001; 10,000,000 shares authorized at 2007 and 2006; none outstanding at 2007 and 2006	—	—
Common stock, par value \$0.001; 100,000,000 shares	36,847	34,755

authorized at 2007 and 2006; 36,846,794 and 34,755,397 issued at 2007 and 2006, respectively		
Additional paid-in capital	270,789,228	248,908,918
Treasury stock, 40,151 shares at 2007 and 2006	(205,999)	(205,999)
Accumulated deficit	(214,454,944)	(203,950,839)
Accumulated other comprehensive gain/(loss)	433	2,157
Total stockholders' equity	<u>56,165,565</u>	<u>44,788,992</u>
Total liabilities and stockholders' equity	<u>\$ 80,566,011</u>	<u>\$ 69,290,660</u>

FOR IMMEDIATE RELEASE

Contacts:

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**Biosense Webster and Stereotaxis Expand Strategic Alliance
and Extend Current Agreement**

DIAMOND BAR, Calif., and ST. LOUIS, Mo. – May 9, 2007 – Biosense Webster, Inc., and Stereotaxis, Inc. (NASDAQ:STXS) today announced an expanded strategic alliance to integrate technology platforms, specifically the Stereotaxis Niobe System and the Biosense Webster CARTO[®] EP Navigation System. The two companies also extended by two years the current worldwide agreement for the development and distribution of magnetically enabled irrigated tip catheters. The two-year extension runs through December 31, 2011.

“Through our alliance with Stereotaxis, together we can continue developing breakthrough technology for the millions of patients with arrhythmias,” said Roy Tanaka, Worldwide President, Biosense Webster. “We believe that computer guided magnetic navigation is beneficial in the treatment of arrhythmias and look forward to continuing our partnership with Stereotaxis to advance patient care.”

The agreement, which is focused on integration of cath lab systems and the computer guided delivery of magnetic devices, is intended to bring additional improvements in efficiency, efficacy and safety to interventional electrophysiology procedures.

“This expanded collaboration enables Stereotaxis to secure the advantages of the Biosense Webster irrigated catheter for an extended period and evidences the commitment the two companies have to continue development and distribution of this leading-edge technology to electrophysiology suites around the world,” said Bevil Hogg, Chief Executive Officer, Stereotaxis, Inc.

Additionally, beyond electrophysiology, the two companies have agreed to explore opportunities for expanding their integrated technology for the delivery of cells and other biological agents for the treatment of heart failure.

The companies will launch their expanded collaboration during a joint symposium at Heart Rhythm 2007, the Heart Rhythm Society’s 28th Annual Scientific Sessions, which will be held May 9-12 in Denver.

About Biosense Webster

Biosense Webster Inc, a Johnson & Johnson Company, pioneered EP diagnostic catheters more than 30 years ago and continues to lead the industry as an innovative provider of advanced diagnostic, therapeutic, and mapping tools. As the leader in navigation systems, Biosense Webster’s technology includes the largest installed base of navigation systems worldwide in leading hospitals and teaching institutions. With proprietary products such as the CARTO[®] XP System, the CARTOSOUND[™] Image Integration Software Module, the THERMOCOOL[®] Irrigated Tip Catheter and the LASSO[®] Circular Variable Mapping Catheter, the company is changing the way electrophysiologists diagnose and treat arrhythmias.

About Stereotaxis

Stereotaxis designs, manufactures and markets an advanced cardiology instrument control system for use in a hospital’s interventional surgical suite to enhance the treatment of coronary artery disease and arrhythmias. The Stereotaxis System is designed to enable physicians to complete more complex interventional procedures by providing image guided delivery of catheters and guidewires through the blood vessels and chambers of the heart to treatment sites. This is achieved using computer-controlled, externally applied magnetic fields that govern the motion of the working tip of the catheter or guidewire, resulting in improved navigation, shorter procedure time and reduced x-ray exposure. The core components of the Stereotaxis System have received regulatory clearance in the United States, Europe and Canada.

About the Heart Rhythm Society

Heart Rhythm 2007 is the most comprehensive educational program for heart rhythm professionals, featuring over 200 educational

sections and more than 130 innovative products and services. This year, the meeting will open with the AFib Summit, a two-day intensive summit on atrial fibrillation featuring world-renowned experts. The Heart Rhythm Society's Annual Scientific Sessions have become the must-attend event of the year, allowing the exchange of new vital ideas and information among colleagues from every corner of the globe.

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