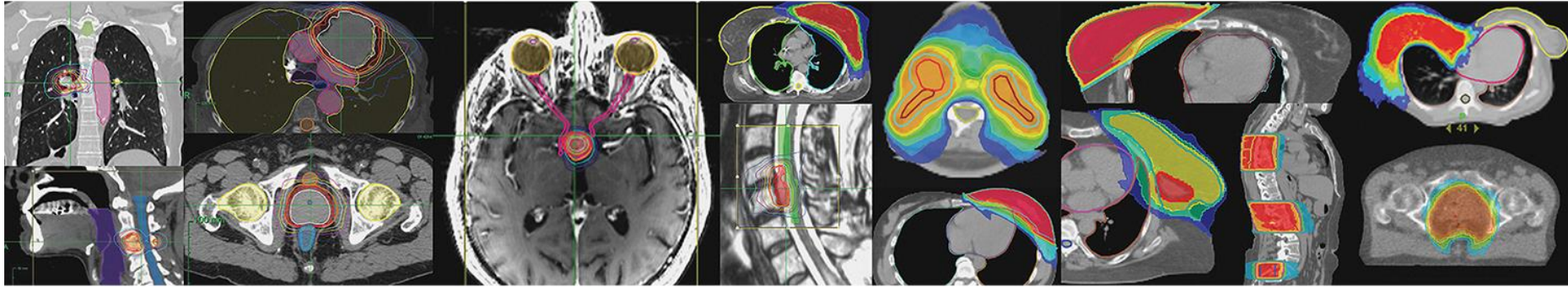


PRECISION MATTERS



**Jefferies Healthcare
Conference**
June 2016

Joshua H. Levine
President and CEO

Forward Looking Statement

Safe Harbor Statement

Statements in this presentation (including the oral commentary that accompanies it) that are not statements of historical fact are forward-looking statements and are subject to the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements in this presentation relate, but are not limited to, the size and growth of the global market for radiation therapy systems, market position of our products, product roadmap, our business opportunities and focus, including strategies for commercial execution, product positioning, customer accounts and emerging markets, and our expected financial results for the fourth quarter and full fiscal year 2016. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from expectations, including but not limited to: anticipated regulatory approvals and launches of new products; the extent of market acceptance for the company's products and services, including market adoption of newly launched products; the company's ability to convert backlog to revenue; the success of its worldwide sales and marketing efforts; the ability to control operating expenses; continuing uncertainty in the global economic environment; potential differences between the Company's preliminary financial analysis and the final results for the applicable period as a result of the completion of internal reporting process and review, and other risks detailed under the heading "Risk Factors" in the company's report on Form 10-K for fiscal 2015, filed on August 28, 2015, the company's reports on Form 10-Q filed on November 5, 2015, February 1, 2016 and April 29, 2016, and the company's other filings with the Securities and Exchange Commission.

Forward-looking statements speak only as of the date the statements are made and are based on information available to the company at the time those statements are made and/or management's good faith belief as of that time with respect to future events. The company assumes no obligation to update forward-looking statements to reflect actual performance or results, changes in assumptions or changes in other factors affecting forward-looking information, except to the extent required by applicable securities laws. Accordingly, investors should not put undue reliance on any forward-looking statements.

This presentation also contains non-GAAP financial information. Management believes that this non-GAAP financial measure provides useful supplemental information to management and investors regarding the performance of the company and facilitates a more meaningful comparison of results for current periods with previous operating results. Additionally, it will assist management in analyzing future trends, making strategic and business decisions and establishing internal budgets and forecasts. A reconciliation is available in the Appendix.



Accuray At-a-Glance

- **Products:** CyberKnife® and TomoTherapy® Systems
 - **Headquarters:** Sunnyvale, CA
 - **Employees:** 1,000
-
- **LTM Revenue^(a):** \$406 million
 - **LTM Adjusted EBITDA^(b):** \$34 million
 - **LTM Product Revenue:** \$201 million
 - **LTM Service Revenue:** \$205 million

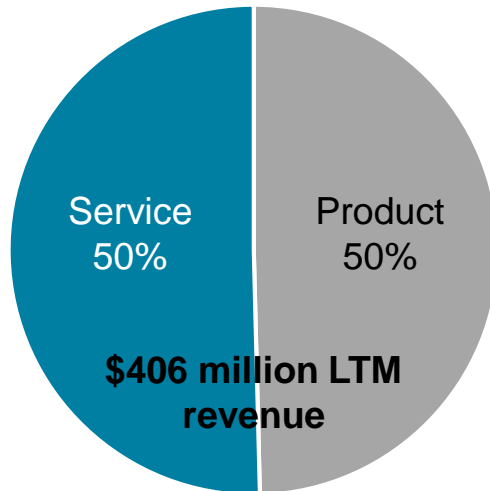
(a) Last twelve months as of March 31, 2016

(b) Excludes one-time legal expense of \$7.9 million from Cowealth arbitration ruling

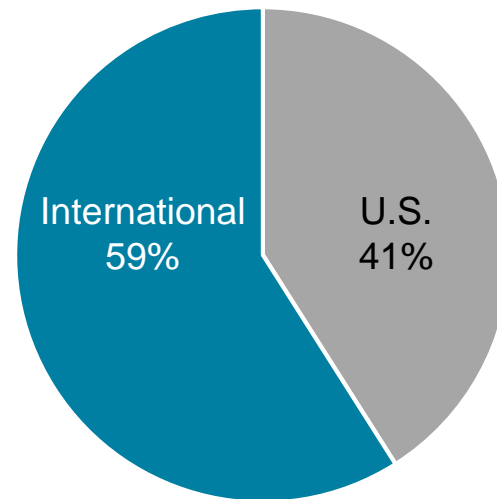


Key Statistics

**Last 12 Months
Revenue by Segment**



**Last 12 Months
Revenue by Geography**



Backlog as of 3/31/2016: \$371M

Radiation Therapy: Opportunity for Growth

THE LANCET **Oncology**

\$2T
Global Economic
Burden in 2010



50%
of cancer patients
would benefit from
radiation therapy



10%
of patients have
access to RT in low
income countries



Source: “**Expanding global access to radiotherapy,**” published in *The Lancet Oncology* in September 2015

Radiation Therapy Capacity Gaps

60% growth in market capacity projected over next 20 years

THE LANCET **Oncology**

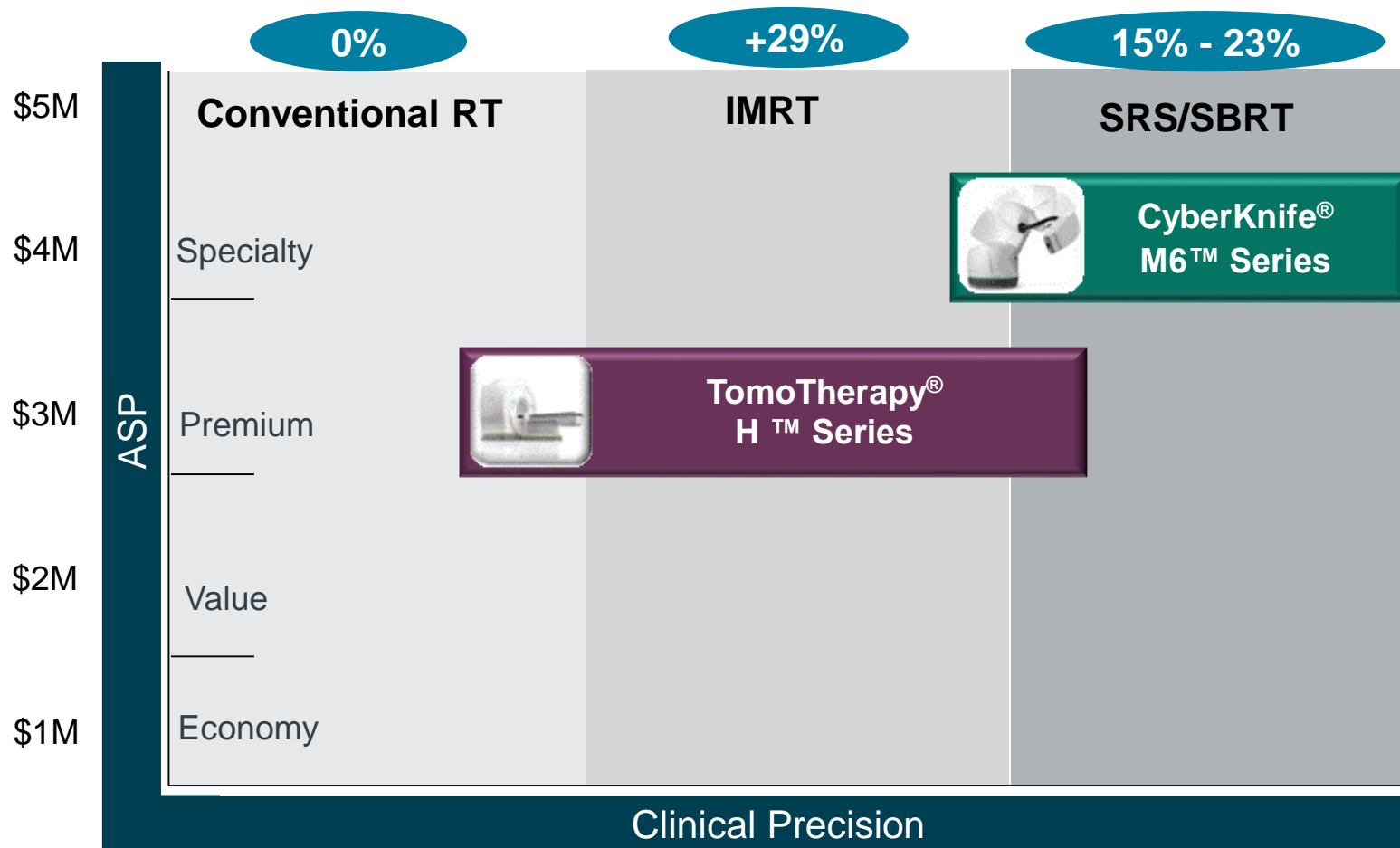
	2015	2035	GAP
Radiotherapy Departments	7,700	10,900	3,200
Linear Accelerators	13,100	21,800	8,700 (Gap) <u>+13,100 (Replacements)</u> 21,800 (Total)
Radiation Oncologists	23,200	45,500	22,300
Medical Physicists	10,000	39,300	29,300
Radiation Technologists	33,300	130,200	96,900

Coverage of radiotherapy services according to country as determined by global equipment databases, an activity-based operations model, cancer incidence, and evidence-based estimates of radiotherapy need.

Accuray Products

Positioned in growth segments

New Patient Volume: 5-Year Growth Estimate, 2014-2019



*Source: U.S. data. The Advisory Board Company – Service Line Forecast Compendium , April 2015

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Precise, innovative tumor treatments™

Accuray Products

Unique architecture drives superior precision and accuracy

Accuray Products

CyberKnife®



- Robotic architecture
- Continual imaging throughout treatment
- Automatically tracks and adjusts beam for tumor movement

- Sub-millimeter precision
- Spares healthy tissue

TomoTherapy®



- CT scanner-based; ring gantry platform
- Designed for low-dose imaging on a daily basis as a standard part of the workflow
- Fast MLC delivers thousands of “beamlets” with continuous 360° rotation of the ring gantry
- Dose contouring superiority
- Spares healthy tissue

Competitor

Conventional LINAC



- C-arm based; standard gantry platform
- C-arm architecture and limited beam delivery angles requires larger treatment margin area and risk of healthy tissue exposure



Transforming our Roadmap

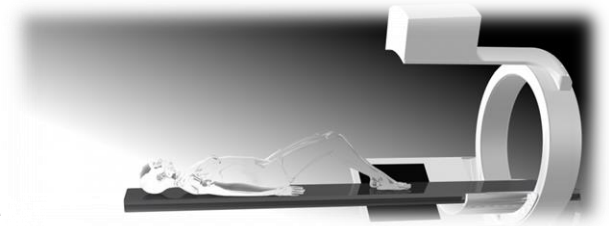
Highly differentiated new products and features

- Internal innovation on hardware and software
- Partnerships with other innovators to bring critical solutions to market, faster



Radixact[™]
ACCURAY[®]

Precision[™]
ACCURAY[®]



Partnering to Expand Your Future Choices

Not US FDA 510k Cleared

**The Radixact Treatment Delivery System, Precision Treatment Planning System and iDMS Data Management System are pending FDA 510(k) clearance and not available for sale within the United States. These products may also be subject to international regulatory approval or licensing processes such that the availability of these products may vary according to geographical location.*

Commercial Strategy Execution

Five near-term business initiatives to drive revenue and margin growth

1 Accelerate TomoTherapy®
Mainstream Product Positioning

2 Broaden CyberKnife®
Clinical Versatility Around
Multi-Leaf Collimators (MLC)

3 Focus on Installed Base Customer
Satisfaction and Upcoming
Replacement Opportunities

4 Focus on Strategic Accounts
With Key Hospital Networks

5 Focus on China Commercial
Opportunity



TomoTherapy Gaining Mainstream Status

Opportunities in single and multi-vault hospital facilities

Greater than 50% of TomoTherapy® System orders were in single and dual vault settings for the previous 12 months

Type	Cancer Facilities ¹	TomoTherapy [®] Share ²
3+ vaults	345	25%
2 vaults	736	8%
1 vault	1,219	4%
Total	2,300	9%



1. Estimates based on U.S. IMV 2012/13 Radiation Therapy Market Summary Report, July 2013.
2. Internal Accuray information (July 2015).

CyberKnife[®] InCise[™] Multileaf Collimator (MLC) Impact



In Fiscal Q3 2016 **100%** of all CyberKnife M6[™] orders included an MLC

- Commercial status
 - Initiated commercial rollout Spring 2015
- Faster treatment speed
 - **30-40% reduction in average treatment times**
- Expanding clinical utilization
 - More than 500 patients treated
 - Treatment sites: cranial, prostate, spine, lung, and liver
 - Treatment techniques: SRS, SBRT and IMRT

Improved Reliability and Service

459 U.S. radiation therapy departments surveyed*

*“The level of reliability provided by Accuray’s systems is exceptional.”***

- Accuray rated #1 in overall system performance*
- Net Promoter Score increased 10 points YOY to 45 percent*



*imv ServiceTrak™ Radiation Oncology 2015

**MD Buyline Market Intelligence Briefing™ - Q1 2016

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Precise, innovative tumor treatments™

Strategic Account Focus

Strategic/GPO Accounts at a Glance

- Includes integrated delivery networks for both hospitals and free standing centers
- Can drive multi-system orders
- Accuray has partnerships with the following GPOs:



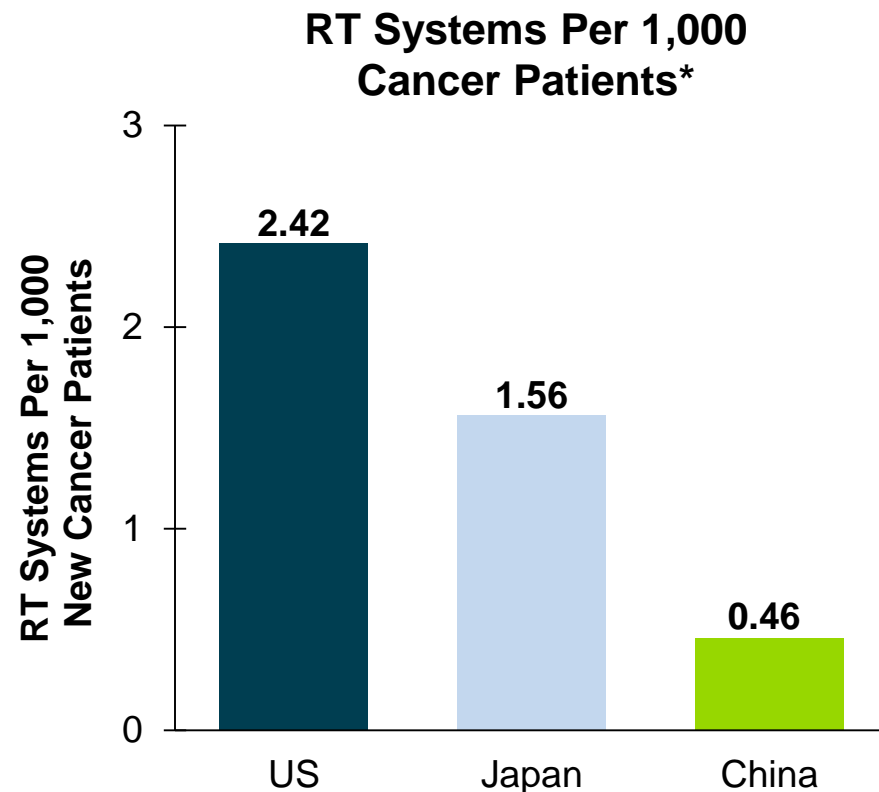
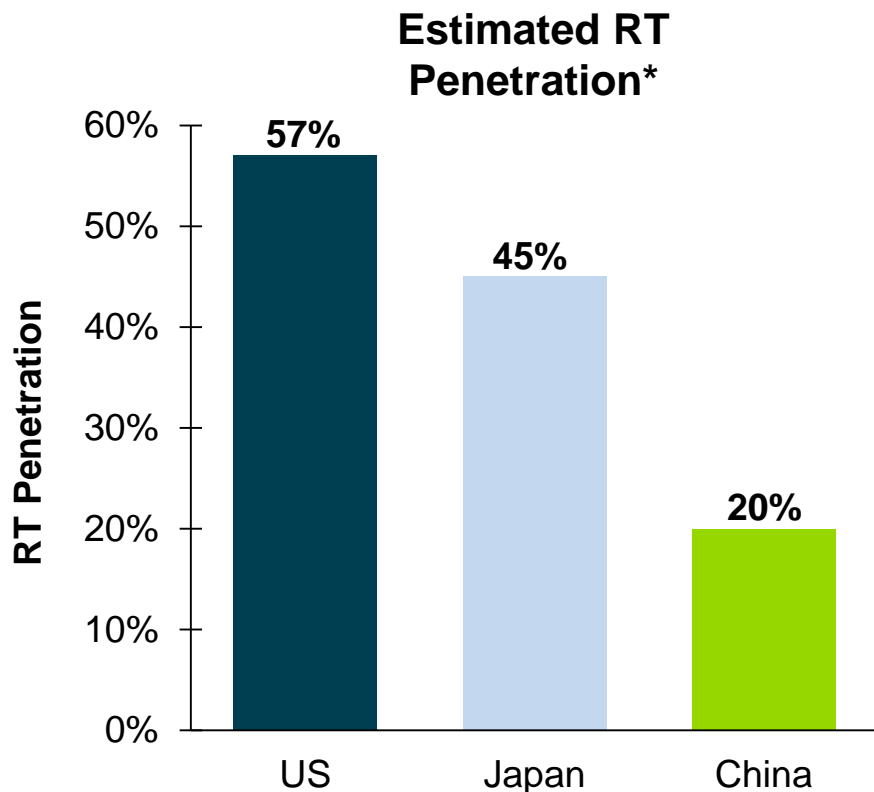
Strategic Account Activity

- Orders :
 - Key Opinion Leader (KOL) within the radiation oncology community
 - Government customer/VA
 - Trade-in trade-up by major university in Texas
 - “Next generation” product collaboration with KOL in Japan
 - Multi-system order for four TomoTherapy® Systems and one CyberKnife® M6™ System
 - Three system orders placed by hospitals affiliated with our GPO partners went to backlog



Radiotherapy Treatment Capacity - China

Major capacity gap when compared to developed markets



*1,117 linear accelerators installed in China as of May 2016**
Estimated 5,000 systems needed to address patient need****

*Accuray internal estimates

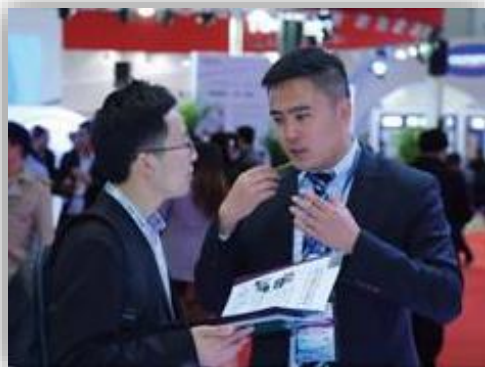
**<http://www-naweb.iaea.org/nahu/dirac/query3.asp> accessed 5/6/2016

***China Medical Equipment Association 2013

Accuray Commercial Progress - China

Through fiscal Q3 2016

Since 2013, Accuray products were placed in >85% of bunkers where Class A radiotherapy licenses were issued



Well-recognized and respected by Chinese KOL and NHFPC



Strong presence in PLA and large public sector facilities



34 out of 39 licenses awarded to hospitals for Accuray products

➡ *Private sector hospitals/cancer treatment facilities purchasing “non-type A” product offering will drive growth going forward*

Significant Financial Progress

Building a path to sustainable profitability

Recent results

Improving financial performance

Strengthening capital structure
and cash flow

Path to sustained profitability



Recent Results and Outlook

Q3 FY16 Financial Performance

- Gross orders of \$56.4M; +9% YoY
- Ending product backlog of \$370.5M; +7% YoY
- Revenues of \$105.3M; +8% YoY
- 43 percent Gross Margin; +300bps YoY
- Adjusted EBITDA of \$13.9M; a sequential improvement from \$6.8M
- Cash, cash equivalents and short-term investments of \$149.8M as of March 31, 2016

FY16 Guidance⁽¹⁾

- Gross Orders: \$280 to \$290 million
 - +5% to +8% YoY
- Revenue: \$395 to \$405 million
 - +4% to +7% YoY
- Adjusted EBITDA: \$25 to \$30 million
 - +112% to +154% YoY

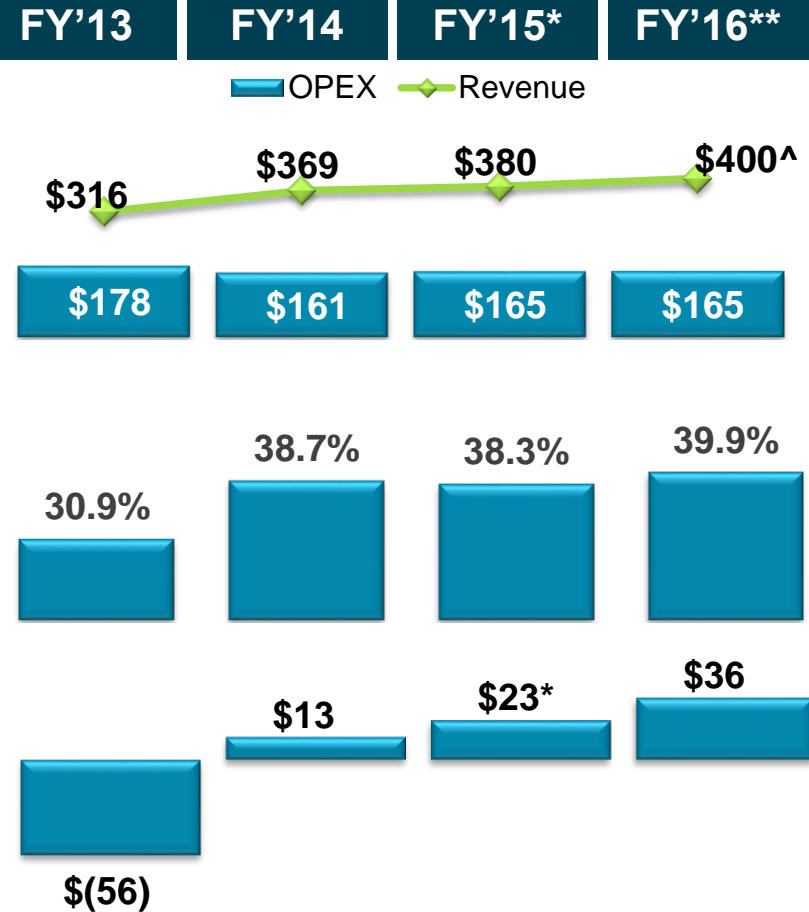
(1) FY2016 Guidance as presented on Q3 earnings release dated April 26, 2016.

Accuray is Driving Financial Performance

\$ millions
Revenue and OpEx

Gross Margin

aEBITDA



*FY'15 data based on constant currency as compared to FY'14 due to significant currency impact on aEBITDA in FY'15

**FY'16 data represents the mid-point of guidance as adjusted for the one-time \$7.9M impact of Cowealth legal fees

^FY'16 data represents the mid-point of guidance



Balance Sheet

Improving capital structure: our approach to the August 2016 converts

Improving cash position strengthens our capital structure

Accuray announced straight debt financing on January 12, 2016

- Raised \$70M straight debt
- Retired \$63M of the \$100M August 2016 convertible notes
- Full retirement of August 2016 notes eliminates the potential issuance of approximately 10.6M shares

Shares	
Weighted Average Shares Outstanding YTD 3/31/16	80.3 M
2016 Convertible Notes (potential dilution) \$100M principle, \$9.46 conversion price	10.6 M
Shareholder Dilution Avoided	13%

A Path to Profitability

Where we **were**, where we **are** and where we are **heading**

	Past	Present	Future Goals
Revenue	100%	100%	100%
Gross Margin	31%	40%*	~45%
Operating Income	(26%)	(1%)*	10% +
EBITDA	(18%)	7%^	15% +

Where we were: represents FY 2013 financials

*LTM

^Mid point of guidance

Conclusions

FY16 forward

Accuray is growing faster than the overall market

Macro market drivers represent opportunities for Accuray

The clinical utility of Accuray products is expanding

Accuray is innovating, faster, through internal R&D expertise and external partnerships

Financial discipline is driving Accuray towards sustainable profitability

Thank you.



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