Accuray Announces Proposed Offering of $75 Million Convertible Senior Notes

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SUNNYVALE, Calif., July 26, 2011 /PRNewswire/ -- **Accuray Incorporated** [1] (Nasdaq: ARAY [2]) ("Accuray") today announced its intention to commence an offering, subject to market and other conditions, of $75 million aggregate principal amount of convertible senior notes due 2016 (the "notes"), to be offered and sold to qualified institutional buyers pursuant to Rule 144A under the Securities Act of 1933, as amended. Accuray intends to grant the initial purchaser of the notes an option to purchase up to an additional $11.25 million aggregate principal amount of notes. The notes are expected to be convertible under certain conditions into common stock of Accuray, cash or a combination thereof, at Accuray's election. The notes are expected to mature on August 1, 2016, unless earlier repurchased, redeemed or converted. The notes are expected to be redeemable at a redemption price of 100% of their principal amount plus accrued and unpaid interest, at Accuray's option on or after August 1, 2014 if the closing sale price of its common stock exceeds 130% of the applicable conversion price of the notes for specified periods. The interest rate, conversion rate and other terms of the notes are to be determined by negotiations between Accuray and the initial purchaser of the notes.

Accuray intends to use the proceeds from the sale of the notes for general corporate purposes, including investing strategically in expanding its business and new product initiatives.

This announcement is neither an offer to sell nor a solicitation of an offer to buy any of these securities and shall not constitute an offer, solicitation or sale in any jurisdiction in which such offer, solicitation or sale is unlawful.

The notes and any shares of common stock issuable upon conversion of the notes have not been registered under the Securities Act of 193
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