UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 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): March 3, 2016

SECOND SIGHT MEDICAL PRODUCTS, INC.
(Exact Name of Registrant as Specified in Its Charter)

California
(State or Other Jurisdiction of Incorporation)

333-198073	**02-0692322**
(Commission File Number)	(IRS Employer Identification No.)

12744 San Fernando Road, Suite 400
Sylmar, California 91342
(Address of Principal Executive Offices)

(818) 833-5000
(Registrant's Telephone Number, Including Area Code)

(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 (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))

ITEM 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On March 3, 2016, Second Sight Medical Products, Inc. (the "***Company***") issued a press release announcing its financial and operating results for the three-month and twelve-month periods ended December 31, 2015. A copy of the Company's press release entitled "Second Sight Reports Fourth Quarter and Year End 2015 Financial Results" is furnished as Exhibit 99.1 to this Current Report on Form 8-K.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item shall not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "***Exchange Act***"), nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or under the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

ITEM 7.01. **REGULATION FD DISCLOSURE**

On March 3, 2016, the Company issued the press release described above in Item 2.02 of this Current Report on Form 8-K. A copy of the press release is attached hereto as Exhibit 99.1.

The Company conducted a conference call to discuss these results on March 3, 2015, that was accessible live over the telephone by dialing 1-(800) 732-8470 (or dialing 1-(212) 271-4651 from outside the U.S.). As described in the press release, all statements in the teleconference other than historical financial information, may be deemed to be forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Exchange Act. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and actual results or developments may differ materially from those in the forward-looking statements. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise, except as required by law.

The conference call was broadcast live and was made available shortly after completion of the call for replay for 30 days. The replay can be accessed by dialing (800) 633-8284 (U.S.) or (402) 977-9140 (International). The conference ID for the replay is 21805798. A copy of the conference call transcript is attached as Exhibit 99.2 to this Current Report on Form 8-K.

In accordance with General Instruction B.2 of Form 8-K, the information in this Item shall not be deemed "filed" for the purposes of Section 18 of the Exchange Act, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or under the Exchange Act, except as shall be expressly set forth by specific reference in such filing.

ITEM 9.01. **FINANCIAL STATEMENTS AND EXHIBITS**

Exhibit No.	**Description**
99.1	Press Release entitled "Second Sight Reports Fourth Quarter and Year End 2015 Financial Results" issued March 3, 2016
99.2	Fourth Quarter and Year End 2015 Earnings Conference Call Transcript of the Company, dated March 3, 2016

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.

Date: March 3, 2015

SECOND SIGHT MEDICAL PRODUCTS, INC.

/s/ Thomas B. Miller
By: Thomas B. Miller
Chief Financial Officer

Exhibit 99.1

Second Sight Reports Fourth Quarter and Year End 2015 Financial Results

Sylmar, CA, March 3, 2016 – Second Sight Medical Products, Inc. (NASDAQ: EYES) ("Second Sight" or "the Company"), a developer, manufacturer and marketer of implantable visual prosthetics to provide some useful vision to blind patients, today reported financial results for the three-month and twelve-month periods ended December 31, 2015.

Recent Company Highlights:

- Net revenue increased by 55% to $2.4 million in the fourth quarter of 2015; net revenue for the full year 2015 grew 163% to $8.9 million;
- Implanted 21 Argus® II Retinal Prosthesis Systems worldwide during the fourth quarter of 2015 for a total of 75 implants in 2015. This compares to 15 implants in the fourth quarter of 2014 and a total of 29 implants in 2014, representing implant volume growth of 40% and 159% respectively;
- Improved gross margin to 29% versus 7% during the fourth quarter of 2014 and 41% for the full year versus a margin of negative 5% in 2014;
- Added two new implanting centers during the fourth quarter for a total of 33 worldwide at the end of 2015, compared to 18 at the end of 2014;
- Successfully implanted four of the five subjects in the Company's Dry Age-Related Macular Degeneration (AMD) clinical trial in the U.K.;
- Ended 2015 with Medicare coverage for four Medicare Administrative Contractor (MACs) regions across 16 states, compared with one MAC jurisdiction covering four states at the end of 2014;
- Added one MAC jurisdiction in February 2016 covering Florida, Puerto Rico and the U.S. Virgin Islands bringing the current total to five MAC jurisdictions across 17 states;
- Signed exclusive agreement with Tecnosalud to distribute the Argus II in Argentina; and
- Filed a rights offering on January 25, 2016 for existing shareholders to raise up to $20 million.

“In 2015, Second Sight invested in building the foundation of our business while delivering strong revenue growth,” stated Will McGuire, Chief Executive Officer of Second Sight. “We nearly doubled our global footprint and recently expanded MAC coverage to 17 states and two US territories. We plan to build upon these successes while focusing on overcoming U.S. reimbursement challenges and penetrating our targeted markets in 2016.”

“At the same time, we believe there are multiple meaningful opportunities to reach larger populations with our platform. We believe the work we are doing to upgrade the existing Argus technology, expand into Dry AMD and explore the use of our Orion I™ Cortical Visual Prosthesis for direct cortical stimulation may potentially open up significant markets for us, ensuring that we can deliver long-term shareholder value,” concluded McGuire.

Fourth Quarter 2015 Financial Results

Total revenue was $2.4 million for the fourth quarter of 2015, up 55% compared with $1.5 million in the fourth quarter of 2014. The increase was primarily due to a higher number of implanted Argus II retinal prostheses in the fourth quarter of 2015 versus the year ago quarter. There were 21 Argus II retinal prostheses implanted in the fourth quarter of 2015, compared to 15 for the fourth quarter of 2014.

Gross profit was $691,000 in the fourth quarter of 2015, compared to $99,000 in the fourth quarter of 2014.

Total operating expenses in the fourth quarter of 2015 were $6.2 million, compared with $5.7 million in the fourth quarter of 2014, reflecting the Company's increased investment in sales, marketing and research and development, as well as costs associated with being a publicly traded company.

Operating loss in the fourth quarter of 2015 was $5.5 million, compared to an operating loss of $5.6 million for the same period last year.

Net loss in the fourth quarter of 2015 was $5.5 million, or $0.15 per share, compared with a net loss of $13.6 million, or $0.46 per share, in the prior year quarter. The Company recorded non-cash charges of $0.9 million and $8.4 million during the fourth quarters of 2015 and 2014, respectively.

Non-GAAP adjusted net loss in the fourth quarter of 2015, excluding non-cash charges, was $4.6 million, or a non-GAAP net loss of $0.13 per share, compared to a non-GAAP adjusted net loss of $5.1 million, or $0.17 per share, in the fourth quarter of 2014.

Full Year 2015 Financial Results

Total revenue was $8.9 million in 2015, compared to $3.4 million in 2014. The increase reflects volume growth in the number of implanted Argus II retinal prostheses. The Company implanted 75 Argus II retinal prostheses in 2015, compared to 29 in 2014.

Gross profit in 2015 was $3.7 million, versus a gross loss of $0.2 million in 2014. The improvement is primarily due to increased sales of implants.

Total costs and operating expenses in 2015 were $23.7 million versus $21.1 million in 2014. This increase is primarily due to additional investments in the business, incremental clinical and regulatory expenses related to the launch of our Dry AMD trial in the U.K. offset by lower research and development costs, as well as costs associated with being a publicly traded company.

Operating loss in 2015 was $20.0 million, compared to an operating loss of $21.2 million in 2014.

Net loss in 2015 was $20.0 million, or $0.56 per share, compared with a net loss of $35.2 million, or $1.41 per share, in the prior year period. Non-GAAP adjusted net loss in 2015, excluding non-cash expenses, was $17.0 million, or a loss of $0.48 per share, compared with non-GAAP adjusted net loss of $19.0 million, or a loss of $0.76 per share, in 2014.

As of December 31, 2015, Second Sight had $16.0 million in cash and cash equivalents and no debt.

2016 Objectives

- Secure coverage with additional MACs in the U.S. as well as other key markets globally;
- Work with CMS to establish Medicare reimbursement rates that cover the facility costs related to furnishing the Argus II to patients in 2017 and beyond;
- Expand our global footprint by continuing to grow the number of implanting centers and enter additional markets;
- Improve the Argus II technology, including significant R&D milestones for the next generation externals and advanced software;
- Complete enrollment of the Dry Age-Related Macular Degeneration feasibility clinical trial and finalize a go forward strategy; and
- Complete animal testing and file the IDE application with the FDA to test the Orion™ I Visual Cortical Prosthesis in humans.

Conference Call

As previously announced, Second Sight management will host its fourth quarter conference call as follows:

Date	March 3, 2016
Time	4:30 PM EST
Telephone U.S:	(800) 732-8470
International:	(212) 271-4651
Webcast (live and archive)	www.secondsight.com under the 'Investor Relations' section.

A replay of the conference call will be available for two weeks after the call's completion by dialing (800) 633-8284 (U.S.) or (402) 977-9140 (International). The conference ID for the replay is 21805798. The archived webcast will be available for 30 days via the aforementioned URL.

About the Argus II® Retinal Prosthesis System

Second Sight's Argus II System provides electrical stimulation that bypasses the defunct retinal cells and stimulates remaining viable cells inducing visual perception in individuals with severe to profound Retinitis Pigmentosa. The Argus II works by converting images captured by a miniature video camera mounted on the patient's glasses into a series of small electrical pulses, which are transmitted wirelessly to an array of electrodes implanted on the surface of the retina. These pulses are intended to stimulate the retina's remaining cells, resulting in the perception of patterns of light in the brain. The patient then learns to interpret these visual patterns, thereby regaining some visual function. The Argus II is the first artificial retina to receive widespread approval, and is offered at approved centers in Canada, France, Germany, Italy, Netherlands, Saudi Arabia, Spain, Switzerland, Turkey, United Kingdom, and the U.S.

About Second Sight

Second Sight's mission is to develop, manufacture and market innovative implantable visual prosthetics to enable blind individuals to achieve greater independence. Second Sight has developed and manufactures the Argus® II Retinal Prosthesis System. Enrollment is underway in a trial to test the safety and utility of the Argus II in individuals with Dry Age-Related Macular Degeneration. Second Sight is also developing the Orion™ I Visual Cortical Prosthesis to restore some vision to individuals who are blind due to causes other than preventable or treatable conditions. U.S. Headquarters are in Sylmar, California, and European Headquarters are in Lausanne, Switzerland. For more information, visit www.secondsight.com.

Safe Harbor

This press release contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange and Exchange Act of 1934, as amended, which are intended to be covered by the "safe harbor" created by those sections. All statements in this release that are not based on historical fact are "forward looking statements." These statements may be identified by words such as "estimates," "anticipates," "projects," "plans," or "planned," "seeks," "may," "will," "expects," "intends," "believes," "should," "potentially," "objectives," and similar expressions or the negative versions thereof and which also may be identified by their context. All statements that address operating performance or events or developments that Second Sight expects or anticipates will or might occur in the future, such as those outlined above under "2016 Objectives," are forward-looking statements. While management has based any forward looking statements included in this release on its current expectations, the information on which such expectations were based may change. Forward-looking statements involve inherent risks and uncertainties which could cause actual results to differ materially from those in the forward-looking statements, as a result of various factors including those risks and uncertainties described in the Risk Factors and in Management's Discussion and Analysis of Financial Condition and Results of Operations sections of our Annual Report on Form 10-K as filed on March 17, 2015 and our other reports filed from time to time with the Securities and Exchange Commission. We urge you to consider those risks and uncertainties in evaluating our forward-looking statements. We caution readers not to place undue reliance upon any such forward-looking statements, which speak only as of the date made. Except as otherwise required by the federal securities laws, we disclaim any obligation or undertaking to publicly release any updates or revisions to any forward-looking statement contained herein (or elsewhere) to reflect any change in our expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based.

Reconciliation to Non-GAAP Financial Measures

In addition to reporting all financial information required in accordance with generally accepted accounting principles (GAAP), the Company is also reporting Non-GAAP net loss and Non-GAAP net loss per share which are non-GAAP financial measures. Non-GAAP net loss and Non-GAAP net loss per share are not measurements of financial performance under GAAP and should not be used in isolation or as a substitute or alternative to net income, operating income or any other performance measure derived in accordance with GAAP, or as a substitute or alternative to cash flow from operating activities or a measure of our liquidity. In addition, the Company's definition of Non-GAAP net loss and Non-GAAP net loss per share may not be comparable to similarly titled non-GAAP financial measures reported by other companies. Non-GAAP net loss and Non-GAAP net loss per share, as defined by the Company, represent net loss adjusted for non-cash stock-based compensation, interest expense on convertible notes and amortization of discount on convertible notes. Management believes that these non-GAAP financial measures provide useful supplemental information regarding the performance of our business operations and facilitates comparisons to our historical operating results. For a full reconciliation of Non-GAAP net loss to the most comparable GAAP financial measures, please see the tables at the end of this press release.

Investor Relations:

Institutional Investors
In-Site Communications, Inc.
Lisa Wilson, President
212-452-2793
lwilson@insitecony.com
or

Individual Investors
MZ North America
Greg Falesnik, Senior Vice President
949-385-6449
greg.falensik@mzgroup.us

Media Relations:
Pascale Communications, LLC
Allison Potter, Senior Account Executive
412-228-1678
allison@pascalecommunications.com

Source: Second Sight Medical Products, Inc.

Financial Tables Follow

SECOND SIGHT MEDICAL PRODUCTS, INC.
AND SUBSIDIARY

Condensed Consolidated Balance Sheets
(in thousands)

	December 31, 2015	December 31, 2014
ASSETS		
Current assets:		
Cash	$ 239	$ 619
Money market funds	15,721	34,000
Accounts receivable	1,501	708
Inventories, net	8,209	5,722
Prepaid expenses and other current assets	1,094	927
Total current assets	26,764	41,976
Property and equipment, net	1,432	1,005
Deposits and other assets	49	88
Total assets	$ 28,245	$ 43,069
LIABILITIES AND EQUITY		
Current liabilities:		
Accounts payable	$ 710	$ 513
Accrued expenses	2,068	1,412
Accrued compensation expense	2,069	1,362
Accrued clinical trial expense	616	489
Deferred revenue	322	600
Deferred grant revenue	2,197	4,075
Total current liabilities	7,982	8,451
Commitments and contingencies		
Stockholders' equity	20,263	34,618
Total liabilities and stockholders' equity	$ 28,245	$ 43,069

SECOND SIGHT MEDICAL PRODUCTS, INC.
AND SUBSIDIARY

Condensed Consolidated Statements of Operations
(in thousands except per share data)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	**2014**	**2015**	**2014**
	(unaudited)			
Net sales	$ 2,362	$ 1,520	$ 8,950	$ 3,398
Cost of sales	1,671	1,421	5,293	3,558
Gross profit (loss)	691	99	3,657	(160)
Operating expenses:				
Research and development, net of grants	547	1,361	3,036	5,041
Clinical and regulatory	966	684	3,510	2,622
Selling and marketing	2,510	2,155	8,935	6,845
General and administrative	2,144	1,464	8,223	6,565
Total operating expenses	6,167	5,664	23,704	21,073
Loss from operations	(5,476)	(5,565)	(20,047)	(21,233)
Interest and other income, net	2	1	29	21
Interest expense on convertible promissory notes	-	(301)	-	(1,957)
Amortization of discount on convertible promissory notes	-	(757)	-	(5,077)
Write-off of amortized discount on conversion of convertible promissory notes		(6,955)		(6,955)
Net loss	$ (5,474)	$ (13,577)	$ (20,018)	$ (35,201)
Net loss per common share – basic and diluted	$ (0.15)	$ (0.46)	$ (0.56)	$ (1.41)
Weighted average shares outstanding – basic and diluted	35,879	29,510	35,637	25,053

SECOND SIGHT MEDICAL PRODUCTS, INC.
AND SUBSIDIARY

Reconciliation of Non-GAAP Information to Most Comparable GAAP Measures
(in thousands, except per share data)
(unaudited)

	Three Months Ended December 31,		Twelve Months Ended December 31,	
	2015	**2014**	**2015**	**2014**
Net loss	$ (5,474)	$ (13,577)	$ (20,018)	$ (35,201)
Add back non-cash charges:				
Stock-based compensation	860	430	3,011	1,816
Forgiveness of notes receivable related to stock option exercise	-	-	-	423
Non-cash interest accrued on convertible notes payable	-	296	-	1,952
Amortization of discount on convertible notes payable	-	757	-	5,078
Write-off of amortized discount on conversion of convertible promissory notes	-	6,955	-	6,955
Non GAAP net loss	$ (4,614)	$ (5,139)	$ (17,007)	$ (18,977)
Net loss per share	$ (0.15)	$ (0.46)	$ (0.56)	$ (1.41)
Add back non-cash charges:				
Stock-based compensation	0.02	0.01	0.08	0.07
Forgiveness of notes receivable related to stock option exercise	-	-	-	0.02
Non-cash interest accrued on convertible notes payable	-	0.01	-	0.08
Amortization of discount on convertible notes payable	-	0.03	-	0.20
Write-off of amortized discount on conversion of convertible promissory notes	-	0.24	-	0.28
Non GAAP net loss per share	$ (0.13)	$ (0.17)	$ (0.48)	$ (0.76)

Second Sight
Q4 2015 Earnings Conference Call Script

Operator: (customary introduction)

Lisa Wilson:

Thank you Colin. Good afternoon, and welcome to Second Sight's fourth quarter and full year 2015 earnings call. This is Lisa Wilson of In-Site Communications, investor relations for Second Sight. With me on today's call are Robert Greenberg, Chairman of the Board of Directors, Will McGuire, President and Chief Executive Officer, and Thomas Miller, Chief Financial Officer of Second Sight.

At the close of market, the Company issued a press release detailing financial results for the fourth quarter and full year ended December 31, 2015. The press release can be accessed through the Investor Relations section of the Second Sight website at www.secondsight.com. You can also access the webcast of this call from there.

Before we get started, I would like to remind everyone that any statements made on today's conference call that express a belief, expectation, projection, forecast, anticipation or intent regarding future events and the company's future performance may be considered forward-looking statements as defined by the Private Securities Litigation Reform Act. These forward-looking statements are based on information available to Second Sight management as of today, and involve risks and uncertainties, including those noted in this morning's press release and Second Sight's filings with the SEC. Such forward-looking statements are not guarantees of future performance. Actual results may differ materially from those projected in the forward-looking statements. Second Sight specifically disclaims any intent or obligation to update these forward-looking statements, except as required by law.

A telephone replay of the call will be available shortly after completion of this call for the next two weeks. You'll find the dial-in information in today's press release. The archived webcast will be available for one month on the company's website, www.secondsight.com.

For the benefit of those who may be listening to the replay or archived Webcast, this call was held and recorded on March 3, 2016. Since then, Second Sight may have made announcements related to the topics discussed, so please reference the company's most recent press releases and SEC filings.

And with that I'll turn the call over to Second Sight's Chairman, Dr. Bob Greenberg.

Bob: Introduction

Thank you, Lisa. Good afternoon, everyone, and thank you for joining us to on today's call. Before we begin our business discussion, I'd like to say a few words about Alfred Mann, who as you all know, passed away last week. Al was not only the co-founder of Second Sight, he was a consummate inventor, entrepreneur, philanthropist, and a close personal friend. He was a truly extraordinary individual whose life's work changed people's lives for the better in many ways, and inspired so many of us to follow his lead.

Al was a true visionary whose foresight and leadership made possible what was unimaginable to most. I am thankful for his mentorship and friendship. And, while we are all deeply saddened by his passing, we are honored to be continuing his legacy with the important work we are doing at Second Sight.

So, let me share with you what we accomplished in 2015 towards building Second Sight for a solid future. It was a busy and exciting first year for us as a public company. We made significant progress on the commercial expansion of our Argus II Retinal Prosthesis Systems, growing volume 159% to 75 total implants for the year compared to 29 in 2014. In line with our volume growth, our revenue was up 164% to $8.9 million for the full year.

We significantly expanded our commercial footprint, adding 15 new implanting centers during the year. We had 33 centers of excellence worldwide at the end of 2015, nearly double the 18 centers we had at the end of 2014. Growing the number of implanting centers and increasing reimbursement coverage globally are key aspects of our commercialization strategy.

Argus II remains the first and only FDA-approved medical device for the totally blind, and the only device that has demonstrated long-term safety and benefit. We are the leading platform technology for the blind, supported by more than 16 years of research and development, more than 170 implants since 2002, and protected by a very substantial patent portfolio consisting of 344 approved patents and 155 pending applications in the US and abroad at year end. Our closest competitors are many years behind us, particularly in the US. Alternative approaches, like gene therapies and stem cell research, are still years away from commercialization, and none has shown the ability to restore vision to patients with complete blindness. We have an exceptional edge in this market.

And, while we have a clear market lead today, we will continue to innovate so that we can keep our technological and clinical advantage well into the future. And, we believe there are multiple exciting opportunities to reach larger populations with our platform. We aim to do this in three ways.

- First, by enhancing our existing Argus II technology;
- We plan to file for regulatory approval this year for our next generation externals – new glasses and video processor. We are also doing R&D work on advanced software enhancements, retinal stimulation protocols, and next generation implants.
- Second is our goal of entering the AMD market. The feasibility clinical trial was initiated last year and we now have enrolled four of the five subjects and have identified and are scheduling the fifth patient.
- And, lastly by expanding into direct cortical stimulation with the Orion I technology.

Will is going to discuss the business in greater detail shortly. But first, Tom Miller, our CFO, will review our fourth quarter and full year financial results. Tom?

Tom – Financials

Thanks, Bob.

For the fourth quarter of 2015, our revenue was $2.4 million, up 55% compared to $1.5 million in the fourth quarter of 2014. This increase in revenue was due to growth in implant volumes from 15 in the fourth quarter of 2014 to 21 in the fourth quarter of this year, and to slightly higher revenue per implant in the fourth quarter of 2015. For the full year, revenues increased by 163% to $8.9 million, compared to $3.4 million in 2014, driven by the increase in implants from 29 to 75 in 2015.

Our margins in Q4 were 29% compared to 7% in the prior year quarter, reflecting economies of scale from growing volume. For the full year, margins were 41%.

Our operating expenses in the fourth quarter were $6.2 million, versus $5.7 million for the same period last year. R&D costs were $547,000, a decrease of 60% from the prior year fourth quarter mainly due to recognition of $570,000 of grant revenue in the fourth quarter compared to none in the prior year. Clinical and regulatory costs increased to $966,000 compared to $684,000 in the prior year quarter due to higher costs associated with post-market and clinical studies. Selling, general and administrative costs increased by 29% to $4.7 million compared to $3.6 million in the prior year quarter, driven by additional investment in our commercial activities, higher compensation and stock-based compensation costs, and the costs of being a public company.

For the full year, our operating expenses were $23.7 million, up 12.5% over 2014. R&D costs were $3.0 million net of grants, down 40% as a result of applying $1.8 million of grant revenue in the current year compared to none in the prior year. Clinical and regulatory costs were up 34% to $3.5 million, largely due to the higher cost of our post-market and clinical studies. Our selling, general and administrative costs increased by 28% for the year to $17.2 million compared to $13.4 million in 2014. These figures are in line with our expectations, and are a necessary part of doing business as a public company and executing our strategy to scale our business for better penetration in global markets.

Our net loss for the fourth quarter was $5.5 million, or 15 cents per share, compared to a net loss of $13.6 million, or 46 cents per share, for the same period last year. The full-year net loss was $20.0 million, or $0.56 cents per share, versus a net loss of $35.2 million, or $1.41 per share, in 2014.

In the fourth quarter we recorded non-cash charges of $860,000, consisting of stock-based compensation. This compares to non-cash charges of $8.4 million in the fourth quarter of 2014, which included $7.0 million for the write-off of unamortized debt issuance costs related to the convertible debt we had outstanding prior to the IPO.

Excluding non-cash items, our non-GAAP net loss for the fourth quarter of 2015 was $4.6 million, or 13 cents per share, compared to a non-GAAP net loss of $5.1 million, or 17 cents per share, in the fourth quarter of 2014. For the full year 2015, we recorded a non-GAAP net loss of $17 million, compared to a non-GAAP net loss of $19 million in 2014.

A full reconciliation of our GAAP net loss to our non-GAAP net loss, including a per-share reconciliation, can be found in the tables at the end of our earnings release.

Turning to the balance sheet, as of December 31, 2015, we had $16 million of cash and money market funds and no debt.

At the end of January 2016, we filed a registration statement for a rights offering to raise up to approximately $20 million. We anticipate closing the subscription period in the second quarter.

We estimate we currently have sufficient cash on hand to last into the fourth quarter of 2016. If the offering is fully subscribed, we would expect to have sufficient cash to last beyond the end of fiscal 2017.

With that, I'll turn the call over to Will.

Will – Review / Outlook

Thanks, Tom. 2015 was an exciting year for Second Sight. We more than doubled the number of implants performed in 2015 compared to 2014. We grew the number of centers staffed and trained to implant our technology to 33 across a broadening geographic footprint. We also expanded reimbursement and ended 2015 with Medicare coverage in 16 states, covering approximately 33% of the Medicare beneficiary population. Finally, we achieved meaningful milestones on our R&D and clinical programs.

In 2016 we plan to build on this foundation to grow our commercial footprint, grow reimbursement coverage and achieve an appropriate payment rate in the US, expand patient outreach programs, enhance the Argus II technology, and explore the potential of our technology for the AMD market and more broadly in direct cortical stimulation.

As we look at our 2016 commercial strategy, our footprint expansion in the US and abroad will continue. Emphasis will be placed on adding centers in regions of the US or Europe where we have or expect reimbursement in the near future. We also intend to broaden our reach into promising new geographical areas as evidenced by our recent partnership to distribute the Argus II in Argentina.

We also recognize the need to support existing centers. We are expanding our patient outreach programs in order to identify new, qualified candidates who are then directed to one of our implanting centers for evaluation. After a thorough review of our U.S. patient interest list that included contacting everyone on the list, we now have identified over 150 candidates. We expect this list to grow as our local marketing efforts are beginning to show very positive results.

Our drive for increased reimbursement coverage remains a priority. Today we have five of the 12 Medicare Administrative Contractor, or MAC jurisdictions reimbursing Argus II procedures for traditional Medicare fee for service patients. Our most recent MAC success was the decision by First Coast Service Options, which includes Florida, Puerto Rico and the U.S. Virgin Islands, to cover Medicare patients on a case by case basis. We are actively engaged with the remaining seven MAC jurisdictions who have not yet made an affirmative decision regarding Argus II, and are optimistic that we will obtain additional positive coverage decisions. We will certainly update you on this in due course. In the meantime, we continue to work on facilitating pre-authorizations for Medicare Advantage and commercial patients. In 2015, our success rate was approximately 90%. Since launch, 24 different private insurance or Medicare Advantage plans have approved implants on a case-by-case basis. In Europe, we continue to enjoy coverage in France, Germany and two regions in Italy.

While we continue to make progress on reimbursement, we did experience a setback with CMS payment rates for outpatient procedures in 2016. Based on limited data that was derived from incorrectly billed claims, the outpatient reimbursement rate was set at $95,000 for the device and procedure. This was approximately $50,000 less than our average selling price in 2015. We remain engaged with CMS concerning the 2016 payment rate but, at this point, are running our business with the expectation that outpatient reimbursement will be $95,000 for the remainder of 2016.

Based on market feedback, the status of our discussions with CMS and our desire to make this life-changing technology available to all qualified patients, we are now temporarily discounting to facilitate U.S. hospitals providing the Argus II to patients. Prior to offering these discounts, our business was negatively impacted during the first two months of 2016 by the delta between our selling price and the 2016 payment rate for Medicare patients. More specifically, we believe at least 3 or 4 Medicare cases and one planned implanting center opening were delayed due to reimbursement concerns. Given these reimbursement concerns in the U.S. and the inherent variability in our results, we expect Q1 to be down sequentially from Q4. With U.S. discounts in place, we should see implants rebound in upcoming quarters as we open new centers, qualify more patients and benefit from expanded reimbursement coverage.

We are also in active discussions with CMS concerning the reimbursement rate for 2017 and beyond. As previously outlined, we believe the 2017 reimbursement rate will improve as it will be based on claims data from 2015. In fact, CMS just posted preliminary OPPS cost data which showed the mean cost of Argus to be $165,000 from the 2015 claims currently in their database. As a reminder, this is the dataset that will ultimately be used to set rates for 2017. In parallel, we will propose to CMS changes to reimbursement policy for high cost, low volume devices such as ours that we believe would lead to more stable and appropriate reimbursement rates (in other words rates that are not too high nor too low).

Recent clinical publications are critical to supporting our ongoing reimbursement efforts. Last week, five-year data based on our original multi-center trial confirmed the continued safety and efficacy of our implants. This data, presented by Dr. Handa of the Johns Hopkins University Wilmer Eye Institute at the 39th Annual Macula Society Meeting, represents over 200 cumulative patient-years of clinical trial follow-up and demonstrated the ability for the retinal prosthesis to improve visual function over an extended duration. As reported by Dr. Handa, visual function and functional vision performance was improved with the System ON compared to System OFF, and these results were stable out to five years post-implant. The data supported previously published three-year study results from the same patient cohort, which appeared in the journal *Ophthalmology* last June.

Last month, we announced the publication of a separate 3-year FLORA study of 26 patients which measured the functional vision abilities of the subjects when using the device. In that study 24 of 35 tasks, or 69 percent, showed a statistically significant improvement in the outcome when using the device. The availability of additional peer-reviewed studies that support the long-term safety, reliability and benefit of the Argus II design should aid our efforts in securing reimbursement. In 2016, we expect a total of three papers concerning various aspects of the Argus II to be submitted for publication.

Turning to R&D. We will continue investing to make our technology even better. We plan to file for FDA approval and CE mark regulatory clearance for our next generation externals before year end. The externals consist of eyewear, camera and a new video processing unit or (VPU). The new VPU will deliver 25x the processing power of today's VPU, allowing more sophisticated software enhancements and retinal stimulation techniques. Ultimately these improvements will increase the performance of Argus II and potentially allow expansion into a larger patient pool that includes better sighted individuals.

In addition, we are pursuing new indications for Argus II that will allow us to reach new populations of low-vision patients, such as those with dry-AMD. Four of our five subjects have been enrolled in our dry-AMD pilot study initiated last year and the center has identified the potential fifth subject. All subjects will be evaluated over a six-month period. We will finalize our go-forward strategy after patient performance is more fully known and in consultation with our physician and scientific advisors.

We have also spoken in the past about expanding into direct cortical stimulation. We believe there is a significant opportunity to leverage our existing Argus technology to bypass the optic nerve and directly stimulate the visual cortex. We expect to have fully active animal implants in Q2 and our goal is to submit an IDE to the FDA before year end leading to a human feasibility study in early 2017. If successful, this would potentially treat vision loss in a subset of the approximately 5.8 million individuals blinded by causes such as trauma, glaucoma, optic nerve disease and other currently untreatable causes.

In order to maximize our financial flexibility to fund our commercial and R&D activities for the next few years, we filed a rights offering in January which allows us to raise up to approximately $20 million, fully subscribed. We expect to close in Q2 2016. The additional cash will provide us with the necessary runway to execute our strategic goals for 2016 and beyond.

So to recap, our objectives for the year include:

- Securing reimbursement coverage with additional MACs in the U.S. as well as other key markets globally,
- Restoring a higher reimbursement rate in the US for Medicare Fee For Service patients in 2017 and beyond
- Expanding our global footprint by continuing to grow the number of implanting centers and entering additional markets
- Improving the Argus II technology, including significant R&D milestones for the next generation externals and advanced software,
- Completing enrollment of the Dry Age-Related Macular Degeneration feasibility clinical trial and finalizing a go forward strategy, and
- Completing animal testing and filing the IDE application with the FDA to test the Orion in humans.

Overall, we are encouraged by the interest in our technology and the foundation we are building. More than 16 years of ongoing technological investment, growing evidence of the safety, reliability and longevity of our technology, and a very extensive patent portfolio protecting our work, support our position as the dominant industry player for the foreseeable future. I am honored and proud to have joined such a dynamic and innovative company at this important time. Over the last six months, I've had the pleasure of engaging with dedicated, hardworking professionals at all levels of our organization. We have a great team in place with the right expertise to bring Second Sight to new levels of success.

With that, I'd like to open the call for questions. Operator, please go ahead with the instructions.

Operator: (customary instructions)

Will – Closing Remarks

Thank you all, again, for joining us today, and thank you to our shareholders for helping us make the dream of sight a reality for blind individuals worldwide. Have a great day.