
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

October 21, 2003

Date of Report (date of earliest event reported)

IRIDEX CORPORATION

(Exact name of Registrant as specified in its charter)

Delaware

0-27598

77-0210467

(State or other jurisdiction of
incorporation or organization)

(Commission File Number)

(I.R.S. Employer
Identification Number)

1212 Terra Bella Avenue
Mountain View, California 94043

(Address of principal executive offices)

(408) 940-4700

(Registrant's telephone number, including area code)

Not Applicable

(Former name or former address, if changed since last report)

TABLE OF CONTENTS

[Item 7. Financial Statements and Exhibits.](#)

[Item 12. Results of Operations and Financial Condition](#)

[SIGNATURES](#)

[EXHIBIT INDEX](#)

[EXHIBIT 99.1](#)

[Table of Contents](#)

Item 7. Financial Statements and Exhibits.

(c) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Text of Press Release, dated October 21, 2003.

Item 12. Results of Operations and Financial Condition.

On October 21, 2003, IRIDEX Corporation issued a press release announcing its third quarter 2003 financial results. A copy of the press release is furnished as Exhibit 99.1 to this report.

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.

Dated: October 21, 2003

IRIDEX CORPORATION

By: /s/ LARRY TANNENBAUM

Larry Tannenbaum
Chief Financial Officer, Secretary and
Senior Vice President of Finance
and Administration

EXHIBIT INDEX

Exhibit No.	Description
99.1	Text of Press Release, dated October 21, 2003.

FOR IMMEDIATE RELEASE

Contact:Larry Tannenbaum
Chief Financial Officer
(650) 940-4700October 21, 2003
Mountain View, California

IRIDEX REPORTS THIRD QUARTER RESULTS

IRIDEX Corporation (NASDAQ/NMS:IRIX) announced that sales for the quarter ended September 27, 2003 were \$8.3 million, a 23% increase compared to sales of \$6.7 million in the corresponding quarter in 2002. The Company reported a net profit for the third fiscal quarter of \$261,000 or \$0.04 per diluted share, compared to a net profit of \$206,000 or \$0.03 per diluted share for the comparable quarter in 2002.

Improved profitability from operations was responsible for this quarter's increase in net income when compared to third quarter last year, as operating income for the third quarter 2003 rose to \$212,000 compared to the operating loss of \$5,000 in the third quarter last year. Based on the Company's year to date tax exposure, no tax expense was recorded in third quarter 2003, while a tax benefit of approximately \$242,000 was included in the third quarter of 2002 results.

Sales of ophthalmology products during the third quarter of 2003 were \$6.9 million, an increase of 27% from the equivalent quarter of 2002. Sales of dermatology products were \$1.4 million, an increase of 5% from the corresponding quarter in 2002.

"We are very pleased with our overall revenue growth this quarter as exemplified by solid sales increases in both our ophthalmology and dermatology product lines," commented Theodore A. Boutacoff, President and CEO. "Our international sales increased by 36% in the third quarter of 2003 compared to the third quarter in 2002, resulting from the continued world wide acceptance of our ophthalmology products combined with strong performances from most of our international distributors."

"Our return to profitability in the current quarter, increased new product shipments and continued progress on the asset management front stands out as key accomplishments this quarter," continued Mr. Boutacoff.

During the first nine months of 2003, the Company generated \$3.4 million in cash, cash equivalents and available for sale securities primarily as a result of accounts receivables decreasing by \$1.8 million and \$1.3 million contributed from lower inventory levels. At the end of third quarter 2003, cash, cash equivalents and available for sale securities equaled \$14.9 million.

IRIDEX management will conduct a conference call today for those interested at 2:00 p.m. PST/5:00 p.m. EST. The dial-in number is 800-603-0804 US/Canada and 706-643-1370 International. Interested parties may also access the live conference by visiting the Company's website at www.igidex.com. A telephone replay will be available beginning on October 21, 2003 at 5:00 p.m. PST, through October 28, 2003, 9:00 p.m. PST, by dialing (800) 642-1687 and entering Conference ID # 3439048. An archived version of the webcast will be available beginning on October 22, 2003 after 3:00 p.m. PST on the Company's website at www.igidex.com.

About IRIDEX

IRIDEX Corporation is a leading worldwide provider of semiconductor-based laser systems for the ophthalmology and dermatology markets. IRIDEX products are sold in the United States through a direct sales force and internationally through a network of independent distributors into more than 100 countries. For further information, visit the Company's website at www.igidex.com.

Safe Harbor Statement

This announcement contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended and Section 21E of the Securities Act of 1934, as amended. Actual results could differ materially from those projected in the forward-looking statements based on, among other things, the actual order and shipment rate during the remainder of the year for the Company's ophthalmology and dermatology product lines, the rate of introduction and market acceptance of the Company's new products, the impact of any continuing weakness and uncertainties related to general economic conditions or weakness in overall demand in the Company's markets, especially with regard to the Company's dermatology products which are typically used for elective procedures that can be deferred. Risks and uncertainties to which the Company are subject may include, but may not necessarily be limited to, the amount of orders that the Company receives and ships during the remainder of the year, dependence on international sales and the Company's network of independent distributors, the risks associated with bringing new products to market, the results of clinical trials and competition in our markets. Please see a detailed description of these risks contained in our Quarterly Reports on Form 10-Q and Annual Report on Form 10-K for the year ended December 28, 2002 filed with the Securities and Exchange Commission. Forward-looking statements contained in this announcement are made as of this date and will not be updated.

IRIDEX Corporation
Condensed Consolidated Statements of Operations
(In thousands, except per share data)
(unaudited)

	Three Months Ended		Nine Months Ended	
	September 27, 2003	September 28, 2002	September 27, 2003	September 28, 2002
	-----	-----	-----	-----
Sales	\$ 8,267	\$ 6,717	\$ 22,928	\$ 21,113
Cost of sales	4,678	3,705	12,981	11,895
	-----	-----	-----	-----
Gross profit	3,589	3,012	9,947	9,218
	-----	-----	-----	-----
Operating expenses:				
Research and development	975	919	2,972	3,384
Sales, general and administrative	2,402	2,098	7,430	6,897
	-----	-----	-----	-----
Total operating expenses	3,377	3,017	10,402	10,281
	-----	-----	-----	-----
Income (loss) from operations	212	(5)	(455)	(1,063)
Interest and other income, net	49	(31)	154	66
	-----	-----	-----	-----
Income (loss) before benefit from income taxes	261	(36)	(301)	(997)
Benefit from income taxes	0	242	181	549
	-----	-----	-----	-----
Net income (loss)	\$ 261	\$ 206	(\$ 120)	(\$ 448)
	=====	=====	=====	=====
Basic net income (loss) per common share	\$ 0.04	\$ 0.03	(\$ 0.02)	(\$ 0.07)
	=====	=====	=====	=====
Diluted net income (loss) per common share	\$ 0.04	\$ 0.03	(\$ 0.02)	(\$ 0.07)
	=====	=====	=====	=====
Shares used in per common share basic calculations	6,933	6,875	6,922	6,858
	=====	=====	=====	=====
Shares used in per common share diluted calculations	7,043	6,938	6,922	6,858
	=====	=====	=====	=====

IRIDEX Corporation
Condensed Consolidated Balance Sheets
(In thousands)

	September 27, 2003	December 28, 2002
	----- (unaudited)	-----
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 7,800	\$ 9,186
Available-for-sale securities	7,142	2,356
Accounts receivable, net	6,225	8,037
Inventories	9,447	10,725
Prepays and other current assets	930	751
	-----	-----
Total current assets	31,544	31,055
Property and equipment, net	662	950
Deferred income taxes	2,267	2,267
	-----	-----
Total assets	\$ 34,473	\$ 34,272
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Accounts payable	\$ 876	\$ 657
Accrued expenses	3,431	3,417
	-----	-----
Total liabilities	4,307	4,074
	-----	-----
Stockholders' Equity:		
Common stock	70	70
Additional paid-in capital	23,723	23,631
Accumulated other comprehensive income (loss)	(1)	3
Treasury stock	(430)	(430)
Retained earnings	6,804	6,924
	-----	-----
Total stockholders' equity	30,166	30,198
	-----	-----
Total liabilities and stockholders' equity	\$ 34,473	\$ 34,272
	=====	=====