
**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)
November 4, 2010**

IRIDEX CORPORATION

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

0-27598
(Commission
File Number)

77-0210467
(IRS Employer
Identification No.)

**1212 Terra Bella Avenue
Mountain View, California 94043**
(Address of principal executive offices, including zip code)

(650) 940-4700
(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))
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Item 2.02. Results of Operations and Financial Condition.

On November 4, 2010, IRIDEX Corporation issued a press release discussing its financial results for its third fiscal quarter of 2010, which ended October 2, 2010. The press release is attached hereto as Exhibit 99.1 and is incorporated herein by reference.

This information shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or 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 9.01. Financial Statements and Exhibits.

(d) Exhibits

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release dated November 4, 2010.

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.

IRIDEX CORPORATION

By: /s/ THEODORE A. BOUTACOFF
 Theodore A. Boutacoff
 President and Chief Executive Officer

Date: November 4, 2010

EXHIBIT INDEX

**Exhibit
No.**

Description

99.1 Press Release dated November 4, 2010.

FOR IMMEDIATE RELEASE

Contact: Jim Mackaness
Chief Financial Officer
(650) 940-4700November 4, 2010
Mountain View, California**IRIDEX Reports Improved Third Quarter 2010 Financial Results**

- Exceeded Q3 guidance
- Sales increased 4.0% over same period last year and 9.4% sequentially
- Net income of \$0.9 million or \$0.09 per diluted share

IRIDEX Corporation (Nasdaq: IRIX) today reported financial results for the third quarter ended October 2, 2010.

- Earnings of \$0.9 million or \$0.09 per diluted share, up from \$0.6 million or \$0.07 per diluted share reported in the third quarter 2009.
- Total sales increased 4.0% to \$10.8 million, exceeding the range of \$10.0 million to \$10.2 million provided in prior guidance. Sequentially, revenues grew 9.4% from \$9.9 million in the 2010 second quarter.
- Gross margin was 48.5%, exceeding guidance range of 45% to 48%, operating expenses were \$4.4 million within the guidance range of \$4.3 million to \$4.5 million.
- Guidance for fourth quarter: revenue between \$11.0 million and \$11.2 million, gross margins between 45% and 48% and operating expenses between \$4.6 million and \$4.8 million.

“Our performance improved in the third quarter. Excluding OEM revenue, our Ophthalmology business grew 5.8% from \$7.4 million in the third quarter of 2009 to \$7.9 million this quarter, and it was most rewarding to see our ophthalmology consumable revenues return to growth. Consumables are an important part of our overall growth strategy as are strategic acquisitions,” stated Mr. Theodore A. Boutacoff, President and CEO. “Gross margin was above our guidance range due to favorable product mix and volume efficiencies and we continue to manage our operating expenses well.”

“Our largest trade show, the Annual Meeting of the American Academy of Ophthalmology, was in October and we were extremely pleased with the improved business activity at the Academy with sales and leads generated at this meeting increasing significantly over the prior year, which we believe is indicative of a turnaround in the worldwide economies and an increasing interest in our wider product offering,” continued Mr. Boutacoff.

“Customers expressed particular interest in our new IQ577 and IQ532 laser systems and in performing tissue sparing laser photocoagulation using our MicroPulse™ technology. The interest in MicroPulse technology was stimulated by excellent results reported in recently published clinical studies. We see tissue sparing laser therapy as a true paradigm shift providing patients suffering from diseases such as diabetic macular edema (DME) with the clinical benefits of laser photocoagulation without damaging the retina. The adoption of tissue sparing treatments has the potential to drive up demand for

new laser systems that are tissue sparing capable and IRIDEX leads the way with its MicroPulse technology.”

Q3 Business Highlights:

- **Adjustable and Intuitive EndoProbe® commercially available** - Now selling a new family of Adjustable & Intuitive EndoProbe laser handpieces for use with IRIDEX' laser platforms in vitreoretinal surgery.
- **Received CE approval for consumable products** - Products acquired as part of the RetinaLabs acquisition completed earlier this year to be sold in a number of overseas markets through IRIDEX's distribution channels.
- **Granted U.S. Patent for MicroPulse Technology** - MicroPulse Technology provides the ophthalmologist with fine dose control of laser energy during eye surgery, giving IRIDEX a competitive advantage in developing tissue sparing laser systems.

Conference Call

IRIDEX management will conduct a conference call later today, Thursday, November 4, 2010 at 5:00 p.m. Eastern Time. Interested parties may access the live conference call via telephone by dialing (800) 762-9441(U.S.) or (480) 629-9674 (International) and quoting Conference ID 4380709, or by visiting the Company's website at www.iredex.com. A telephone replay will be available beginning on Thursday, November 4, 2010 through Thursday, November 11, 2010 by dialing (800) 406-7325 (U.S.) or (303) 590-3030 (International) and entering Access Code 4380709. In addition, later today an archived version of the webcast will be available on the Company's website at www.iredex.com.

About IRIDEX

IRIDEX Corporation was founded in 1989 and is a worldwide leader in developing, manufacturing, and marketing innovative and versatile laser-based medical systems and delivery devices. We provide solutions for multiple specialties, including ophthalmology, dermatology and otolaryngology. We maintain a deep commitment to the success of our customers, with comprehensive technical, clinical, and service support programs. IRIDEX is dedicated to a standard of excellence, offering superior technology for superior results. IRIDEX products are sold in the United States through a direct sales force and internationally through a combination of a direct sales force and a network of approximately 100 independent distributors into 107 countries. For further information, visit the Company's website at <http://www.iredex.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, relating to the Company's fourth quarter revenue, gross margins and operating expenses, the status of the worldwide economy, interest in our products, industry trends relating to the treatment of diabetic macular edema and adoption and success of our product offerings. These

statements are not guarantees of future performance and actual results may differ materially from those described in these forward-looking statements as a result of a number of factors. Please see a detailed description of these and other risks contained in our Annual Report on Form 10-K for the fiscal year ended January 2, 2010 and our Quarterly Reports on Form 10-Q for the quarters ended April 3, 2010 and July 3, 2010, each of which was 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	
	October 2, 2010	October 3, 2009	October 2, 2010	October 3, 2009
Revenues	\$10,818	\$10,400	\$31,466	\$31,649
Cost of revenues	5,569	5,278	16,456	16,650
Gross profit	<u>5,249</u>	<u>5,122</u>	<u>15,010</u>	<u>14,999</u>
Operating expenses:				
Research and development	920	888	2,913	2,635
Sales and marketing	2,319	2,204	6,984	6,766
General and administrative	1,125	1,061	3,490	3,867
Total operating expenses	<u>4,364</u>	<u>4,153</u>	<u>13,387</u>	<u>13,268</u>
Income from operations	885	969	1,623	1,731
Legal settlement	0	0	800	800
Interest and other income (expense), net	63	(64)	(49)	(197)
Income before income taxes	948	905	2,374	2,334
Provision for income taxes	38	259	165	266
Net income	<u>\$ 910</u>	<u>\$ 646</u>	<u>\$ 2,209</u>	<u>\$ 2,068</u>
Net income per share - basic	<u>\$ 0.10</u>	<u>\$ 0.07</u>	<u>\$ 0.25</u>	<u>\$ 0.23</u>
Net income per share - diluted	<u>\$ 0.09</u>	<u>\$ 0.07</u>	<u>\$ 0.22</u>	<u>\$ 0.21</u>
Shares used in computing net income per share - basic	<u>8,974</u>	<u>8,845</u>	<u>8,930</u>	<u>8,845</u>
Shares used in computing net income per share - diluted	<u>10,148</u>	<u>9,900</u>	<u>10,112</u>	<u>10,003</u>

IRIDEX Corporation
Condensed Consolidated Balance Sheets
(In thousands)
(unaudited)

	<u>October 2,</u> 2010 <small>(unaudited)</small>	<u>January 2,</u> 2010
<u>Assets</u>		
Current Assets:		
Cash and cash equivalents	\$ 7,092	\$ 9,378
Accounts receivable, net	7,954	7,482
Inventories, net	9,782	8,999
Prepays and other current assets	424	470
Total current assets	<u>25,252</u>	<u>26,329</u>
Property and equipment, net	395	486
Other long-term assets	234	323
Other intangible assets, net	1,846	1,153
Goodwill	473	—
Total assets	<u>\$ 28,200</u>	<u>\$ 28,291</u>
<u>Liabilities and Stockholders' Equity</u>		
Current Liabilities:		
Accounts payable	\$ 2,381	\$ 1,872
Bank line of credit	—	3,520
Accrued compensation	1,992	2,171
Accrued expenses	1,540	1,983
Accrued warranty	1,043	1,165
Deferred revenue	2,239	2,405
Total current liabilities	<u>9,195</u>	<u>13,116</u>
Long Term Liabilities:		
Other long-term liabilities	585	149
Total liabilities	<u>9,780</u>	<u>13,265</u>
Stockholders' Equity:		
Convertible preferred stock	5	5
Common Stock	89	89
Additional paid-in capital	41,005	39,820
Accumulated other comprehensive loss	(212)	(212)
Treasury stock, at cost	(430)	(430)
Accumulated deficit	<u>(22,037)</u>	<u>(24,246)</u>
Total stockholders' equity	<u>18,420</u>	<u>15,026</u>
Total liabilities and stockholders' equity	<u>\$ 28,200</u>	<u>\$ 28,291</u>