
**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)
August 1, 2013**

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 August 1, 2013, IRIDEX Corporation issued a press release discussing its financial results for its second fiscal quarter of 2013, which ended June 29, 2013. 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 August 1, 2013. |

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/ JAMES H. MACKANESS
James H. Mackaness
Chief Operating Officer and Chief Financial Officer

Date: August 1, 2013

EXHIBIT INDEX

| <u>Exhibit No.</u> | <u>Description</u> |
|--------------------|-------------------------------------|
| 99.1 | Press Release dated August 1, 2013. |



FOR IMMEDIATE RELEASE

IRIDEX Reports 2013 Second Quarter Results;

\$9.2 Million Record Q2 Revenue

Mountain View, Calif. – August 1, 2013 – IRIDEX Corporation (Nasdaq: IRIX) today reported financial results for the second quarter ended June 29, 2013.

- Revenues were \$9.2 million in the second quarter of 2013, up from \$8.4 million in the prior year comparable period and up sequentially from \$8.9 million in the first quarter of 2013.
- For the second quarter of 2013, operating income was \$0.5 million compared with an operating loss of \$0.4 million for the second quarter of 2012.
- Net income from continuing operations was \$0.4 million or \$0.04 per diluted share for the second quarter of both 2013 and 2012. The second quarter of 2012 benefited from the final \$0.8 million payment under a legal settlement that was recorded as part of other income.
- Gross margin for the second quarter of 2013 was 48.7%, comparable to 48.7% in the prior year period and up from 47.3% in the 2013 first quarter.
- As anticipated, operating expenses again trended downward in the second quarter of 2013 to \$4.0 million compared to \$4.5 million in the prior year period.
- Revenues for the first six months 2013 were \$18.1 million, up 8% from last year's first six months.
- Operating income for the first half of 2013 was \$1.4 million, up \$2.0 million from last year.
- Income from continuing operations for the first half of 2013 was \$1.3 million compared to \$0.1 million for the first half of 2012, or earnings of \$0.13 per share compared to \$0.01 per share on a diluted basis.
- Guidance for third quarter: The Company expects to achieve revenue between \$8.8 million and \$9.1 million, representing growth of between 11% and 15% over the prior year period. Gross margin is anticipated to come in between 47% and 49%, operating expenses between \$3.9 million and \$4.1 million and the Company anticipates generating operating income.

President and CEO Will Moore said, "Sales of both consumable products and systems continued to be strong in the second quarter, including solid contributions from our licensing and distribution partner and from the Peregrine distribution agreement announced in April. The repositioned IRIDEX is now thinking and executing like a commercial organization and the benefits of that orientation are becoming clear in the financial results."

Moore continued, "While we are not yet at the tipping point in the broad industry, the upside for our MicroPulse™ technology continues to grow for both Diabetic Macular Edema and more recently for Glaucoma. Literally dozens of clinical publications – most without any financial support from the Company – have been presented or printed in the past 6 months. Physicians are not only adopting the technology in growing numbers, they are anxious to drive the technology into new areas of therapy due to the safety and efficacy of MicroPulse. We couldn't be happier with the efforts of leading physicians in the field that are pushing the use of our technology forward to the benefit of patients and the healthcare system. The refrain we are hearing is that the system can simply no longer support the use of drug-only treatment regimens with the advent of MicroPulse tissue sparing laser options."

During the second quarter 2013, the Company continued to execute its share repurchase program. Approximately 17,000 shares have been repurchased at an average price of \$4.50 under the plan approved in February 2013.

1H 2013 Business Highlights

- The Company converted all outstanding shares of its Series A Preferred Stock into 1,000,000 shares of its common stock. The Series A Preferred shares were issued to BlueLine Capital Partners LP (BlueLine) as part of a private placement agreement that occurred in 2007. The Certificate of Designation provided that the Series A Preferred shares automatically converted into common stock if IRIDEX common stock traded above \$5.00 for 30 consecutive trading days.
- The Company received two significant orders for its proprietary laser-based medical systems for the treatment of eye diseases. The orders, totaling more than \$500,000, are indicative of the burgeoning growth of the ophthalmology market in the “BRIC” economies (Brazil, Russia, India and China) as well as the advantages of modern laser treatments.
- The Company entered into a global distribution and supply agreement with Peregrine Surgical, Ltd., a privately held company based in New Britain, Pennsylvania. Under the agreement, IRIDEX became a worldwide distributor for Peregrine labeled products and Peregrine Surgical became part of the IRIDEX supply chain for the manufacture of certain IRIDEX products.
- In February 2013, the Board approved a new stock repurchase program for one year for up to \$3 million.

Conference Call

IRIDEX management will conduct a conference call later today, Thursday, August 1, 2013 at 5:00 p.m. Eastern Time. Interested parties may access the live conference call via telephone by dialing (877) 941-8631 (U.S.) or (480) 629-9772 (International) and quoting Conference ID 4631102, or by visiting the Company’s website at www.iredex.com. A telephone replay will be available beginning on Thursday, August 1, 2013 through Thursday, August 8, 2013 by dialing (800) 406-7325 (U.S.) or (303) 590-3030 (International) and entering Access Code 4631102. 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, delivery devices and consumable instrumentation for the ophthalmology market. 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 both direct and independent sales forces and internationally through a combination of a direct sales force and a network of approximately 70 independent distributors into over 100 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 size and growth of markets in which the Company operates, the success of the Company’s marketing and sales efforts and operational execution, MicroPulse laser therapy, sales revenue growth, operational plans and the Company’s projected fiscal 2013 third quarter financial results. 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 December 29, 2012 and Quarterly Report on Form 10-Q for the fiscal quarter ended March 30, 2013 which were 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.

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TABLES FOLLOW

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

| | Three Months Ended | | Six Months Ended | |
|--|--------------------|------------------|------------------|------------------|
| | June 29, 2013 | June 30, 2012 | June 29, 2013 | June 30, 2012 |
| Total revenues | \$ 9,210 | \$ 8,445 | \$ 18,149 | \$ 16,750 |
| Cost of revenues | 4,728 | 4,334 | 9,436 | 8,653 |
| Gross profit | <u>4,482</u> | <u>4,111</u> | <u>8,713</u> | <u>8,097</u> |
| Operating expenses: | | | | |
| Research and development | 884 | 1,106 | 1,880 | 2,288 |
| Sales and marketing | 1,846 | 2,122 | 3,471 | 3,986 |
| General and administrative | 1,237 | 1,233 | 2,423 | 2,409 |
| Proceeds from demutualization of insurance carrier | — | — | (473) | — |
| Total operating expenses | <u>3,967</u> | <u>4,461</u> | <u>7,301</u> | <u>8,683</u> |
| Income (loss) from operations | 515 | (350) | 1,412 | (586) |
| Other (expense) income, net | <u>(97)</u> | <u>752</u> | <u>(115)</u> | <u>725</u> |
| Income from continuing operations before provision for income taxes | 418 | 402 | 1,297 | 139 |
| Provision for income taxes | 3 | 5 | 8 | 7 |
| Income from continuing operations, net of tax | <u>415</u> | <u>397</u> | <u>1,289</u> | <u>132</u> |
| Income (loss) from discontinued operations, net of tax | — | (61) | — | (223) |
| Gain on sale of discontinued operations, net of tax | — | — | — | 2,032 |
| Income (loss) from discontinued operations, net of tax | <u>—</u> | <u>(61)</u> | <u>—</u> | <u>1,809</u> |
| Net income | <u>\$ 415</u> | <u>\$ 336</u> | <u>\$ 1,289</u> | <u>\$ 1,941</u> |
| Net income (loss) per share: | | | | |
| Basic | | | | |
| Continuing operations | \$ 0.05 | \$ 0.04 | \$ 0.15 | \$ 0.01 |
| Discontinued operations | 0.00 | 0.00 | 0.00 | 0.21 |
| Net income | <u>\$ 0.05</u> | <u>\$ 0.04</u> | <u>\$ 0.15</u> | <u>\$ 0.22</u> |
| Diluted | | | | |
| Continuing operations | \$ 0.04 | \$ 0.04 | \$ 0.13 | \$ 0.01 |
| Discontinued operations | 0.00 | (0.01) | 0.00 | 0.18 |
| Net income | <u>\$ 0.04</u> | <u>\$ 0.03</u> | <u>\$ 0.13</u> | <u>\$ 0.19</u> |
| Weighted average shares used in computing net income per share Basic | <u>8,824</u> | <u>8,983</u> | <u>8,668</u> | <u>8,958</u> |
| Diluted | <u>10,005</u> | <u>10,286</u> | <u>9,903</u> | <u>10,270</u> |

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

| | June 29, 2013 | December 29, 2012 |
|--|------------------|----------------------|
| <u>Assets</u> | | |
| Current Assets: | | |
| Cash and cash equivalents | \$ 13,505 | \$ 11,901 |
| Accounts receivable, net | 6,148 | 5,480 |
| Inventories | 8,940 | 8,035 |
| Prepaid and other current assets | 1,095 | 1,129 |
| Current assets of discontinued operations | — | 510 |
| Total current assets | 29,688 | 27,055 |
| Property and equipment, net | 432 | 483 |
| Intangible assets, net | 437 | 554 |
| Goodwill | 533 | 533 |
| Other long-term assets | 280 | 287 |
| Total assets | \$ 31,370 | \$ 28,912 |
| <u>Liabilities and Stockholders' Equity</u> | | |
| Current Liabilities: | | |
| Accounts payable | \$ 2,573 | \$ 2,105 |
| Accrued compensation | 1,533 | 1,563 |
| Accrued expenses | 1,102 | 1,242 |
| Accrued warranty | 457 | 453 |
| Deferred revenue | 1,018 | 1,004 |
| Total current liabilities | 6,683 | 6,367 |
| Long-Term Liabilities: | | |
| Other long-term liabilities | 461 | 640 |
| Total liabilities | 7,144 | 7,007 |
| Stockholders' Equity: | | |
| Convertible preferred stock | — | 5 |
| Common stock | 102 | 94 |
| Additional paid-in capital | 39,987 | 38,958 |
| Accumulated deficit | (15,863) | (17,152) |
| Total stockholders' equity | 24,226 | 21,905 |
| Total liabilities and stockholders' equity | \$ 31,370 | \$ 28,912 |

