

**UNITED STATES
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.**

Date of Report: November 07, 2006
(Date of earliest event reported)

OSI Systems, Inc.
(Exact name of registrant as specified in its charter)

CA
(State or other jurisdiction
of incorporation)

000-23125
(Commission File
Number)

33-0238801
(IRS Employer
Identification Number)

12525 Chadron Ave.
(Address of principal executive offices)

90250
(Zip Code)

310 978 0516
(Registrant's telephone number, including area code)

Not Applicable
(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:

- ☐ 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 November 7, 2006, we are issuing a press release announcing our financial results for the first quarter ended September 30, 2006. A copy of the press release is furnished as Exhibit 99.1.

At the same time, Spacelabs Healthcare, Inc., a subsidiary that serves as a holding company for our Healthcare division, is also issuing a press release announcing its financial results for its first quarter ended September 30, 2006. Spacelabs Healthcare is listed on the AIM of the London Stock Exchange, where it has traded since October 2005 under the ticker symbol "SLAB." A copy of its press release is furnished as Exhibit 99.2.

We are furnishing the information contained in this Item 2.02 (including Exhibits 99.1 and 99.2). It shall not be deemed to be "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or otherwise subject to the liabilities of that section, nor shall it be deemed to be incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended.

Item 9.01. Financial Statements and Exhibits

(a) Financial statements:

None

(b) Pro forma financial information:

None

(c) Shell company transactions:

None

(d) Exhibits

Exhibit 99.1 [Press Release of OSI Systems, Inc. dated November 07, 2006](#)
Exhibit 99.2 [Press Release of Spacelabs Healthcare, Inc. dated November 07, 2006](#)

SIGNATURE

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: November 07, 2006

OSI SYSTEMS, INC.

By: /s/ Alan Edrick
Alan Edrick
Chief Financial Officer

Exhibit Index

<u>Exhibit No.</u>	<u>Description</u>
99.1	Press Release of OSI Systems, Inc. dated November 07, 2006
99.2	Press Release of Spacelabs Healthcare, Inc. dated November 07, 2006

OSI Systems Reports First Quarter Fiscal 2007 Financial Results

HAWTHORNE, CA -- 11/07/2006 -- (NASDAQ: OSIS)

- -- Revenues of \$115.5 million with a Loss of \$0.36 Per Diluted Share;
- -- Company Reiterates Full Year Revenue and Earnings Guidance;
- -- Record Security Bookings of \$87 million in the First Quarter;
- -- Backlog at All-Time High of Approximately \$196 million

OSI Systems, Inc. (NASDAQ: OSIS), a vertically integrated provider of specialized electronics for critical applications in industries such as homeland security and healthcare, today announced its operating results for its first quarter ended September 30, 2006.

The Company reported revenues of \$115.5 million for the first quarter of fiscal 2007, an increase of 13% from the \$101.9 million reported for the first quarter of fiscal 2006. The net loss for the first quarter of fiscal 2007 was \$(6.0) million, or \$(0.36) per diluted share, compared to a net loss of \$(4.2) million, or \$(0.26) per diluted share, for the first quarter of fiscal 2006. The first quarter results include a one-time pre-tax charge for in-process research and development of \$0.6 million relating to the Company's acquisition of Del Mar Reynolds, a diagnostic cardiology business.

The Company reiterated its previously announced full-year guidance for fiscal 2007. Revenues are expected to be between \$535 million and \$545 million, representing approximately 18-20% growth over the prior fiscal year. The Company expects fiscal 2007 adjusted earnings per share to be \$0.35 to \$0.45, excluding one-time charges.

Deepak Chopra, OSI Systems' Chairman and CEO, stated, "We are pleased with the momentum generated by our Security division as represented by the record bookings of \$87 million in the first quarter and the Company's backlog which is at an all time high of \$196 million. However, we are disappointed with our higher than expected loss for the quarter which was primarily attributable to the softness in the U.S. healthcare market and a change in the product mix."

Mr. Chopra continued, "We anticipate benefiting from the recent introduction of our anesthesia systems into the North American market. The integration of recently acquired Del Mar Reynolds is expected to produce higher than anticipated cost synergies and should positively impact the financial performance of the Company in the second half of the fiscal year. Additionally, we have started an internal initiative to reexamine our existing infrastructure to improve profitability."

Conference Call Information

OSI Systems, Inc. will host a conference call and simultaneous webcast over the Internet beginning at 1:30pm PT (4:30pm ET), today to discuss these results. To listen, please log on www.fulldisclosure.com or www.osi-systems.com and follow the link that will be posted on the front page. A replay of the webcast will be available shortly after the presentation and will be archived on www.osi-systems.com. A telephonic replay of the call will also be available from 3:30 pm PT on November 7th until November 21st. The replay may be accessed by calling 888-286-8010 and entering the conference call identification number '19228899' when prompted for the replay code.

About OSI Systems, Inc.

OSI Systems, Inc. is a vertically integrated designer and manufacturer of specialized electronic systems and components for critical applications. The Company sells its products in diversified markets, including homeland security, healthcare, defense and aerospace. The Company has more than 30 years of experience in electronics engineering and manufacturing and maintains offices and production facilities located in more than a dozen countries. It implements a strategy of expansion by leveraging its electronics and contract manufacturing capabilities into selective end product markets through organic growth and acquisitions. For more information on OSI Systems Inc. or any of its subsidiary companies, visit www.osi-systems.com.

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 Act of 1934, as amended. Such statements include information regarding the Company's expectations, goals or intentions about the future, including, the Company's predictions about future revenues and earnings per share. The actual results may differ materially from those described in or implied by any forward-looking statement. In particular, there can be no assurance that such revenues and earnings per share predictions will ultimately prove accurate. Other important factors are set forth in our Securities and Exchange Commission filings. All forward-looking statements speak only as of the date made, and we undertake no obligation to update these forward-looking statements.

OSI SYSTEMS, INC. AND SUBSIDIARIES CONSOLIDATED STATEMENTS OF OPERATIONS (in thousands, except share and per share amounts)

	Three months ended September 30,	
	2005	2006
Revenues	\$ 101,870	\$ 115,529

Cost of goods sold	64,917	77,032
	-----	-----
Gross profit	36,953	38,497
	-----	-----
Operating expenses:		
Selling, general and administrative	33,415	36,370
Research and development	8,731	10,258
Other operating expenses	1,321	780
	-----	-----
Total operating expenses	43,467	47,408
	-----	-----
Loss from operations	(6,514)	(8,911)
Interest expense	(551)	(1,014)
Interest income	20	141
Other expense	-	(74)
	-----	-----
Loss before provision for income taxes and minority interest	(7,045)	(9,858)
Benefit for income taxes	(2,856)	(3,179)
Minority interest	-	638
	-----	-----
Net loss	\$ (4,189)	\$ (6,041)
	=====	=====
Diluted loss per share	\$ (0.26)	\$ (0.36)
	=====	=====
Weighted average shares outstanding - diluted	16,241,146	16,667,671
	=====	=====

Condensed Consolidated Balance Sheets
(in thousands)

	June 30, 2006	September 30, 2006
	-----	-----
ASSETS		
Cash and cash equivalents	\$ 13,799	\$ 10,688
Accounts receivable, net	119,419	124,527
Inventory	120,604	131,507
Other current assets	29,477	34,468
	-----	-----
Total current assets	283,299	301,190
Non-current assets	119,774	144,830
	-----	-----
Total	\$ 403,073	\$ 446,020
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Bank lines of credit	\$ 10,857	\$ 24,052
Current portion of long-term debt	1,251	5,384
Accounts payable and accrued expenses	68,526	71,757
Other current liabilities	40,509	44,619
	-----	-----
Total current liabilities	121,143	145,812
Long-term debt	5,483	27,308
Other long-term liabilities	17,769	18,783
	-----	-----
Total liabilities	144,395	191,903
Minority interest	9,731	9,093
Shareholders' equity	248,947	245,024
	-----	-----
Total	\$ 403,073	\$ 446,020
	=====	=====

(in thousands)

	Three months ended September 30,	
	2005	2006
Revenues - by Segment Group:		
Security Group	\$ 26,963	\$ 41,047
Healthcare Group	51,371	48,231
Optoelectronics and Manufacturing Group		
including intersegment revenues	27,776	34,278
Intersegment revenues elimination	(4,240)	(8,027)
Total	\$ 101,870	\$ 115,529
Operating income (loss) - by segment group:		
Security Group	\$ (3,193)	\$ (1,788)
Healthcare Group	1,183	(4,263)
Optoelectronics and Manufacturing Group	1,202	3,811
Corporate	(5,822)	(6,319)
Eliminations	116	(352)
Total	\$ (6,514)	\$ (8,911)

For Additional Information, Contact:

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Spacelabs Healthcare Trading Update

HAWTHORNE, CA -- 11/07/2006 -- Spacelabs Healthcare, Inc., (LSE: SLAB), provides a strategic and trading update to coincide with its majority shareholder, OSI Systems ("OSI"), who today announced its first quarter segment operating results for its healthcare business.

OSI reported Healthcare segment revenues of \$48.2 million for the first quarter of fiscal 2007, a decrease of (6)% from \$51.4 million reported for the first quarter of fiscal 2006. Excluding the contribution of the recent acquisition of Del Mar Reynolds ("DMR"), underlying revenues declined by approximately (16)%. The year on year decrease in revenues was primarily attributable to softer than expected sales in the North American market. In addition, as a result of Hurricane Katrina in the prior year, North American sales for the first quarter of fiscal 2006 were positively impacted.

For the first quarter of fiscal 2007, OSI reported an operating loss for its Healthcare business of \$(4.3) million compared with operating income of \$1.2 million for the first quarter of fiscal 2006. The first quarter results include a \$0.6 million one-time pre-tax charge for in-process research and development relating to the Company's acquisition of DMR.

The results for Spacelabs Healthcare are being reported as part of OSI System's healthcare segment. As such, these results are segment results as defined by U.S. GAAP, and therefore do not correlate to Spacelabs Healthcare stand alone financial statements.

Spacelabs Healthcare Chief Executive Officer, Mr. Deepak Chopra said, "As previously disclosed, Spacelabs' trading is seasonal with the first and third quarters traditionally softer than the second and fourth quarters. During the first quarter we experienced softness in the U.S. healthcare market, leading to a disappointing first quarter of the fiscal year. Our pipeline of prospective orders remains strong, however, and we continue to expect the traditionally stronger second quarter to see more robust sales activity. As such, we expect the current quarter to see an increase in revenues. At this stage it is too early to determine whether the anticipated strength in the second quarter will make up for the weakness experienced in the first quarter. While we continue to aggressively pursue sales opportunities in the U.S. we are very optimistic about our anesthesia business in North America after the initial response received to our market launch in October at the American Society of Anesthesiologist Show in Chicago. Overall we remain cautiously optimistic for the outlook for the full year."

Spacelabs Healthcare Chairman, Sir John Banham, continued, "Our strong performance in fiscal 2006 indicates that we were able to capture market share through organic growth while capturing cost efficiencies to enhance profitability. We believe we are well positioned to continue to grow our business organically while pursuing strategic acquisitions to diversify our product portfolio. By broadening our product line we look to leverage our established infrastructure and distribution channels. In July this year we completed the acquisition of DMR, expanding our product portfolio to include Diagnostic Cardiology solutions. The integration of DMR has proceeded successfully to date with our cost synergy expectations now higher than originally forecasted, the positive impact of which will begin to become evident in the second half of the fiscal year with the full benefit in fiscal 2008."

About Spacelabs Healthcare, Inc.

Spacelabs Healthcare, Inc. (www.spacelabshealthcare.com) is an international developer, manufacturer and distributor of medical equipment and services including patient monitoring solutions, anesthesia delivery and ventilation systems, pulse oximeters and sensors and bone densitometers selling to hospitals, clinics and physicians offices. Additionally, the Company provides ECG laboratory services to pharmaceutical companies undertaking clinical trials, whereby patient ECG data is recorded, analyzed, tabulated and interpreted.

The Company employs approximately 1,400 personnel in its 14 offices in UK, Canada, India, France, Germany, Finland, Singapore and the United States. The Company conducts its manufacturing and R&D in India, the UK and the United States.

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 Act of 1934, as amended. Such statements include information regarding the company's expectations, goals or intentions about the future. The actual results may differ materially from those described in or implied by any forward-looking statement. Other important factors are set forth in the Securities and Exchange Commission filings of OSI Systems, Inc. All forward-looking statements speak only as of the date made, and we undertake no obligation to update these forward-looking statements.

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