

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 (DATE OF EARLIEST EVENT REPORTED): JANUARY 24, 2007

OSI SYSTEMS, INC.
(EXACT NAME OF REGISTRANT SPECIFIED IN CHARTER)

CALIFORNIA
(STATE OR OTHER JURISDICTION
OF INCORPORATION)

000-23125
(COMMISSION FILE NUMBER)

330238801
(IRS EMPLOYER IDENTIFICATION NO.)

12525 CHADRON AVENUE
HAWTHORNE, CA 90250
(ADDRESS OF PRINCIPAL EXECUTIVE OFFICES) (ZIP CODE)

(310) 978-0516
(REGISTRANT'S TELEPHONE NUMBER, INCLUDING AREA CODE)

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 January 24, 2007, we issued a press release announcing the revenues that we expect to report for the second quarter of fiscal year 2007, a range of our expected loss from operations for the second quarter of fiscal year 2007, a non-cash charge that we expect to take and certain cost-cutting measures that we have identified, among other related matters. The non-cash charge relates to the impairment of certain fixed and intangible assets as well as the recording of additional inventory reserves. The press release also announces that we are withdrawing our previously announced earnings guidance for fiscal year 2007, while reaffirming our previously announced revenue guidance for fiscal 2007. A copy of the press release is furnished as Exhibit 99.1.

On January 24, 2007, Spacelabs Healthcare, Inc., a subsidiary that serves as a holding company for our Healthcare division, issued a press release announcing the revenues that it expects to report for the first half of fiscal year 2007, that it expects to report an operating loss for the same period and certain cost-cutting measures that it has identified and initiated, among other related matters. 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.*(d) Exhibits*

- | | |
|---------------|--|
| Exhibit 99.1: | Press Release of OSI Systems, Inc., dated January 24, 2007. |
| Exhibit 99.2: | Press Release of Spacelabs Healthcare, Inc., dated January 24, 2007. |

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.

OSI SYSTEMS, INC.

Date: January 24, 2007

By: /s/ Alan Edrick

Alan Edrick,
Chief Financial Officer

EXHIBIT INDEX**Exhibit
Number****Description**

99.1	Press Release of OSI Systems, Inc., dated January 24, 2007.
99.2	Press Release of Spacelabs Healthcare, Inc., dated January 24, 2007.

For Further Information**OSI Systems Inc**

Jeremy Norton – Director of Investor Relations
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Hawthorne CA 90250
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**OSI SYSTEMS ANNOUNCES UPDATE FOR
SECOND QUARTER OF FISCAL 2007**

- **Record Revenues of Approximately \$137 Million**
- **Record Backlog of Approximately \$197 Million**
- **Plan Initiated to Lower Cost Base – Targeting \$15 -\$17 Million in Annualized Savings**
- **Company to Record Non-Cash Pre-Tax Charge of Approximately \$31 -\$34 Million**

HAWTHORNE, CA. – JANUARY 24, 2007 – OSI SYSTEMS, INC. (NASDAQ: OSIS), A VERTICALLY-INTEGRATED PROVIDER OF SPECIALIZED ELECTRONIC PRODUCTS FOR CRITICAL APPLICATIONS IN THE SECURITY AND HEALTHCARE INDUSTRIES, TODAY ANNOUNCED AN UPDATE FOR THE SECOND QUARTER ENDED DECEMBER 31, 2006.

The Company expects to report record revenues for the second quarter of fiscal 2007 of approximately \$137 million, an increase of 17% compared to the second quarter of fiscal 2006 and a sequential increase of 19% compared to the first quarter of fiscal 2007. The year-over-year growth was led by an approximate 46% increase in revenues in the second quarter for the security business. Revenues from the Company's healthcare business increased approximately 3% in the second quarter of fiscal 2007 compared to the same period in 2006, with the quarter benefiting from the acquisition of the Del Mar Reynolds diagnostic cardiology business completed in July 2006. This business contributed approximately \$7.5 million of revenues in the second quarter which mitigated the impact of the division's weak performance in the U.S. market.

The Company has undertaken a review of its global operations in order to integrate recent acquisitions and rationalize the Company's cost structure. The review has resulted in plans to achieve approximately \$15-\$17 million of pre-tax annualized cost savings including a reduction of approximately 8% of its global workforce along with the consolidation of multiple facilities. These cost cutting measures have commenced across all divisions, with the goal of fully implementing these cost reductions by the end of the current fiscal year. These measures are expected to positively impact the fourth quarter of fiscal 2007 inclusive of anticipated severance and restructuring charges with the full benefit being realized in fiscal 2008.

In addition, the Company anticipates recording a non-cash pre-tax charge of approximately \$31—\$34 million in the second quarter primarily associated with the impairment of certain fixed and intangible assets as well as the recording of additional inventory reserves following a review of the Company's product portfolio. The amortization expense associated with these fixed and intangible assets has been approximately \$1.3 million annually. Including these charges, the Company expects to report an operating loss for the second quarter of fiscal 2007 of approximately \$30—\$33 million. Excluding these charges, the non-GAAP operating income would be close to breakeven. The non-

GAAP measure is provided in order to assist investors in making a comparison of the business activity occurring in the second quarter with the business activities in prior periods.

Due to the aforementioned items, the Company has withdrawn its quarterly and full year earnings guidance for fiscal 2007. The Company, however, reaffirms its full year revenue guidance of \$535—\$545 million with the fourth quarter expected to be significantly stronger than the third quarter driven by a record backlog of approximately \$197 million as of December 31, 2006. The backlog for the Security division as of December 31, 2006 was approximately \$115 million.

OSI Systems Chief Financial Officer Alan Edrick stated, “Our strong growth has created significant opportunities for cost reductions. When fully implemented, the cost reduction measures currently under way are expected to have a significant positive impact on our bottom line, generating increased cash flow, and better preparing the Company for prospective future growth.”

OSI Systems Chief Executive Officer, Deepak Chopra, said, “The global cost structure review has identified significant cost cutting measures which we intend to aggressively implement over the remaining period of fiscal 2007. Going forward we will continue to proactively pursue measures to improve our operating performance and overall profitability.”

About OSI Systems, Inc.

OSI Systems, Inc. and its subsidiaries 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. OSI Systems 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, but not limited to, the company’s predictions about quarterly and full-year revenues, cost-cutting measures, a non-cash pre-tax charge and operating income. The actual results may differ materially from those described in or implied by any forward-looking statement. In particular, the company has not yet finalized the financial statements to be included in its quarterly report on Form 10-Q for the second quarter of fiscal year 2007, certain of the cost-cutting measures it has identified may not ultimately be implemented or realizable by the company, and expected full-year revenues may not be achieved. Other important factors are set forth in the Securities and Exchange Commission filings OSI Systems, Inc. All forward-looking statements speak only as of the date made, and the company undertakes no obligation to update these forward-looking statements.

January 24, 2007

SPACELABS HEALTHCARE TRADING UPDATE

Spacelabs Healthcare, Inc., (LSE: SLAB), issued a trading update today ahead of announcing its interim results for the first half of fiscal 2007.

For the first half of fiscal 2007, Spacelabs Healthcare expects to announce revenues of approximately \$111.0 million, a decrease of approximately 1% when compared to \$112.0 million reported for the first half of fiscal 2006. Excluding the revenues contributed by Del Mar Reynolds, acquired July 2006, revenues are expected to decline by approximately 13% compared to the comparable period of the prior year. The year on year decrease in revenues is primarily attributable to weak sales in the U.S. which is historically a high margin market for the Company. The Company expects to report an operating loss for the first half of fiscal 2007 and will miss both the first half and full fiscal year published analyst forecasts for 2007.

The Company has undertaken steps in order to integrate the recent acquisition of Del Mar Reynolds and to eliminate redundancies in manufacturing and administrative areas. To date, the Company has identified approximately \$10 million of annualized cost savings including a reduction of approximately 8% of its global workforce along with the closing and consolidation of five facilities in multiple locations. These cost cutting measures have already commenced and as such the Company expects to realize cost savings of approximately \$2 to \$3 million net of associated restructuring costs during the second half of fiscal 2007 with the full benefit being realized in fiscal 2008.

In addition, the Company after analyzing its product lines divested certain loss-generating non-core operations. This divestiture was effective January 1, 2007 and these operations accounted for total revenues of approximately \$8 million in fiscal year 2006.

Spacelabs Healthcare CFO, Nikhil Mehta, said, “The Company remains confident in the underlying strength of our business and strategy. Our second quarter orders in North America were the highest in five years and significantly higher than the first quarter. However, not all orders received were shippable within the period and as a result while our sales were sequentially higher than the first quarter they were not enough to meet market expectations. We have undertaken actions across the Company to aggressively integrate DMR and to identify additional redundancies in our manufacturing and administrative areas. We believe that as a result our Company will be fiscally stronger and better positioned to benefit from growth. As such, we expect to have a stronger performance in the second half of the fiscal year.”

Spacelabs Healthcare CEO, Deepak Chopra, said, “Market fundamentals within North America do not appear to have changed from historical levels. As such, we remain confident in our business. We expect that the second half of the fiscal year will benefit from the recent introduction of our anesthesia products in the U.S., the launch of our low acuity monitor and the aggressive integration of the diagnostic cardiology product line. Additionally, we should begin to see the benefits of the aforementioned cost cutting measures we have undertaken to eliminate redundancies in our manufacturing and administrative areas. We will continue to evaluate strategies to generate additional cost reductions and margin improvements while we focus on our core product offerings within patient monitoring and connectivity, anesthesia delivery and ventilation, diagnostic cardiology and clinical trial services.”

About Spacelabs Healthcare

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, diagnostic cardiology solutions and supplies and accessories 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 1,250 personnel in offices located in the UK, Canada, India, France, Germany, Finland, Singapore and the United States.

- Ends -

For further information, please contact:

Spacelabs Healthcare Inc

Jeremy Norton, Director of Investor Relations

Tel: + 1 310 717 9182

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