

OSI SYSTEMS INC  
Form 10-Q  
October 24, 2012  
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**UNITED STATES**  
**SECURITIES AND EXCHANGE COMMISSION**

WASHINGTON, D.C. 20549

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**FORM 10-Q**

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(Mark One)

**QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the quarterly period ended September 30, 2012

OR

**TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the transition period from \_\_\_\_\_ to \_\_\_\_\_

Commission File Number 000-23125

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**OSI SYSTEMS, INC.**

(Exact name of registrant as specified in its charter)

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**Delaware**  
(State or other jurisdiction of  
incorporation or organization)

**33-0238801**  
(I.R.S. Employer  
Identification No.)

**12525 Chadron Avenue**

**Hawthorne, California 90250**

(Address of principal executive offices) (Zip Code)

**(310) 978-0516**

(Registrant's telephone number, including area code)

**N/A**

(Former name, former address and former fiscal year, if changed since last report)

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Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes x No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes x No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer or a smaller reporting company. See the definitions of "large accelerated filer," "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act.

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Large accelerated filer

Accelerated filer

Non-accelerated filer   
(Do not check if a smaller reporting company)

Smaller reporting company

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes  No

As of October 23, 2012, there were 19,990,702 shares of the registrant's common stock outstanding.

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Table of Contents**PART I. FINANCIAL INFORMATION****Item 1. Condensed Consolidated Financial Statements****OSI SYSTEMS, INC. AND SUBSIDIARIES****CONDENSED CONSOLIDATED BALANCE SHEETS****(in thousands, except share amounts)****(Unaudited)**

	<b>June 30, 2012</b>	<b>September 30, 2012</b>
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 91,452	\$ 73,707
Accounts receivable, net of allowance for doubtful accounts of \$5,054 and \$5,300 as of June 30, 2012 and September 30, 2012, respectively	156,867	146,784
Inventories	195,178	195,388
Deferred income taxes	19,205	19,067
Prepaid expenses and other current assets	20,411	20,181
Total current assets	483,113	455,127
Property and equipment, net	111,664	172,522
Goodwill	82,149	82,435
Intangible assets, net	37,742	38,404
Other assets	35,228	38,237
Total assets	\$ 749,896	\$ 786,725
<b>LIABILITIES AND STOCKHOLDERS EQUITY</b>		
Current Liabilities:		
Current portion of long-term debt	\$ 215	\$ 1,677
Accounts payable	56,422	85,325
Accrued payroll and related expenses	24,749	20,199
Advances from customers	22,677	20,733
Accrued warranties	17,562	16,919
Deferred revenue	20,194	17,321
Other accrued expenses and current liabilities	18,830	19,857
Total current liabilities	160,649	182,031
Long-term debt	2,467	12,161
Advances from customers	100,000	93,750
Other long-term liabilities	52,661	56,415
Total liabilities	315,777	344,357
Commitments and contingencies (Note 7)		
Stockholders Equity:		
Preferred stock, \$0.001 par value authorized, 10,000,000 shares; no shares issued or outstanding	282,756	279,809

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Common stock, \$0.001 par value authorized, 100,000,000 shares; issued and outstanding, 19,821,064 at June 30, 2012 and 19,990,702 shares at September 30, 2012

Retained earnings	155,651	161,990
Accumulated other comprehensive income (loss)	(4,288)	569
Total stockholders' equity	434,119	442,368
Total liabilities and stockholders' equity	\$ 749,896	\$ 786,725

See accompanying notes to condensed consolidated financial statements.

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	<b>For the Three Months Ended September 30,</b>	
	<b>2011</b>	<b>2012</b>
Net revenues:		
Products	\$ 133,906	\$ 148,864
Services	27,411	32,830
Total net revenues	161,317	181,694
Cost of goods sold:		
Products	89,868	98,932
Services	18,592	21,407
Total cost of goods sold	108,460	120,339
Gross profit	52,857	61,355
Operating expenses:		
Selling, general and administrative expenses	34,367	39,925
Research and development	10,880	11,316
Total operating expenses	45,247	51,241
Income from operations	7,610	10,114
Interest and other expense, net	(799)	(1,097)
Income before income taxes	6,811	9,017
Provision for income taxes	2,050	