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OSI Systems Receives Contract Worth up to Approximately \$29 Million from U.S. Department of Homeland Security for Next Generation Cargo Screening Systems

HAWTHORNE, Calif.--(BUSINESS WIRE)-- OSI Systems, Inc. (NASDAQ:OSIS), today announced that its security division, Rapiscan Systems, a leading provider of advanced detection and imaging solutions has been awarded a contract by the U.S. Department of Homeland Security (DHS) Science and Technology Directorate (S&T) to develop two separate systems as part of S&T's CanScan Program. Rapiscan Laboratories, the R&D arm of Rapiscan Systems, secured the competitively bid contract worth up to approximately \$29 million with a combined initial funding obligation of \$3.6 million for the first phases of the two development efforts.

The US Department of Homeland Security awarded Rapiscan the contract based on Rapiscan's innovative development approach, which combines separate inspection technologies and advanced threat detection software to significantly improve the current state of cargo screening so that threats are identified faster and more comprehensively. Rapiscan intends to leverage its extensive and innovative R&D expertise and that of its partners across various inspection modalities to develop the next generation non-intrusive mobile and air cargo inspection systems. As a part of the development program, the systems are expected to be capable of automatically detecting and identifying multiple threats, including but not limited to explosives, narcotics and chemical weapons in cargoes entering the U.S. at land border crossings, air and maritime ports of entry.

Ajay Mehra, President of Rapiscan Systems, stated, "These contracts will leverage the unique combination of our team's experience and capability in high-energy x-ray imaging and developing critical inspection solutions. These systems along with the automatic detection algorithms are expected to have threat detection and identification capabilities that are significantly better than the current state of the art systems. The innovative research at Rapiscan Laboratories continues to be at the forefront of combating some of our country's most difficult security challenges which threaten our national security."

About OSI Systems, Inc.

OSI Systems, Inc. is a vertically integrated designer and manufacturer of specialized electronic systems and components for critical applications in the homeland security, healthcare, defense and aerospace industries. We combine more than 30 years of electronics engineering and manufacturing experience with offices and production facilities in more than a dozen countries to implement a strategy of expansion into selective end product markets. For more information on OSI Systems Inc. or any of its subsidiary companies, visit www.osi-systems.com. News Filter: OSIS-G

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 contracts to provide solutions to the Security industry. The actual results may differ materially from those described in or implied by any forward-looking statement.

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