

January 30, 2007

OSI Systems Receives Funding for Development of Next Generation Cargo Inspection System

January 30, 2007: Hawthorne, CA

- | Automatically Detects Nuclear Weapons and Radiological Disposal Devices
- | Next-Generation System Enhances Throughput and Flow of Commerce

OSI Systems, Inc. (NASDAQ: OSIS), a vertically-integrated provider of specialized electronic products for critical applications in the Security and Healthcare industries, announced today that its Security division, Rapiscan Systems, has received a \$3.6 million Phase II contract from the Department of Homeland Security (DHS) for the development and testing of a next generation system for the screening of cargo and vehicles. Funding was awarded following successful completion of Phase I for which the Company was awarded approximately \$0.9 million in funding.

Utilizing the Company's X-ray technology platform, this next generation system utilizes a unique technology to automatically detect and actively identify materials associated with weapons of mass destruction, such as nuclear weapons and radiological disposal devices (dirty bombs). The system has also been designed to increase the throughput of containers inspected when compared to currently available systems addressing the concern that enhanced inspection will impede the flow of commerce at U.S. and international ports and border crossings. Under the schedule outlined for Phase II, the system is expected to be delivered to the U.S. Government for live testing by the end of 2007.

Rapiscan Systems' X-ray product-line, marketed under the Eagle brand name, employs state-of-the-art high energy X-ray imaging systems and proprietary detection algorithms and technologies to rapidly and accurately inspect containers and trucks. The Eagle's high-energy X-ray imaging system can produce a high-resolution image of a 20-foot container in less than 10 seconds.

President of Rapiscan Systems, Ajay Mehra, said, "We are pleased to be working closely with the U.S. government to develop this next generation cargo and vehicle inspection system to secure our ports and border crossings. We believe that this unique design utilizing our proprietary automatic detection technology will expedite the inspection process when compared to current technologies without impeding the flow of commerce."

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.

About Rapiscan Systems

Rapiscan Systems, a division of OSI Systems, Inc. is a leading supplier of high quality security inspection solutions utilizing X-ray and gamma-ray imaging, and advanced threat identification techniques such as neutron and diffraction analysis. The company's products are sold into four market segments; Baggage and Parcel Inspection, Cargo and Vehicle Inspection, Hold Baggage Screening and People Screening. The company has an installed base globally of more than 50,000 security and inspection systems. The Rapiscan Systems product line is manufactured at four locations and supported by a global support service network. For more information on Rapiscan Systems, please visit www.rapiscansystems.com.

This press release contains forward-looking statements within the meaning of 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 our expectations, goals or intentions about the future, including, but not limited to, statements regarding the development of a next generation cargo and vehicle inspection system, its ability to automatically detect nuclear devices and radiological disposal devices. 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 system can be delivered for testing by the end of 2007 or that it will increase inspection rate of containers or ultimately enhance the flow of commerce. 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.

For Further Information

OSI Systems Inc
Jeremy Norton Director of Investor Relations
12525 Chadron Ave
Hawthorne CA 90250
Tel: (310) 349 2237
Email: jnorton@osi-systems.com