



January 5, 2007

OSI Systems Settles SAIC Litigation

January 05, 2007: Hawthorne, CA

OSI Systems, Inc. (NASDAQ: OSIS - News), 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 entered into an agreement settling its litigation with SAIC, Inc.

The litigation stemmed from SAIC's allegations that Rapiscan Systems Gamma-ray based cargo inspection systems infringed upon SAIC's 025 patent. Rapiscan Systems position has been that SAIC's infringement allegations were not only meritless but wrongfully made for improper purposes.

Principal terms of the settlement agreement are as follows:

- | SAIC agreed that, going forward, it will never allege that Rapiscan's current and future cargo inspection products infringe SAIC's 025 patent.
- | Each party agreed not to allege that each other's current and future Gamma-ray based inspection systems infringe on any existing or pending patents.
- | The settlement included a general release of claims.

Rapiscan Systems President, Ajay Mehra, stated, We have consistently maintained that SAIC's patent infringement claims were baseless. As such, Rapiscan has agreed to this settlement on the basis that it vindicates our position in the fullest measure.

About OSI Systems, Inc.

OSI Systems, Inc. is a Hawthorne, California based vertically-integrated provider of specialized electronic products for critical applications in the Security and Healthcare industries. 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 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 our expectations, goals or intentions about the future, including, but not limited to, statements regarding the settlement agreement entered into with SAIC, Inc. 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

E: jnorton@osi-systems.com