



February 8, 2005

OSI Systems Expands Healthcare Group with Acquisition of UK-based Anesthesia Manufacturer and Distributor

February 08, 2005: Hawthorne, California

Expands Perioperative Product Suite and Complements Spacelabs Patient Monitoring

OSI Systems, Inc. (Nasdaq:OSIS) today announced that it has completed the acquisition of UK-based Blease Medical Holdings Limited, a privately-owned manufacturer of anesthesia systems, vaporizers and ventilators. Purchase consideration consists of an initial payment of GBP4.5 million cash and potential contingent payments of up to GBP6.25 million, based upon revenue performance targets over the next three years. For its fiscal year ending May 31, 2004 Blease had annual sales of approximately GBP10 million. OSI expects the acquisition to be earnings neutral for the remainder of fiscal 2005 ending June 30th.

Blease will join the OSI Healthcare Group, which is composed of Spacelabs Medical, Dolphin Medical and Osteometer MediTech. Blease will work closely with Spacelabs, a manufacturer and developer of patient monitoring systems, to develop and market a suite of products and applications focused on the perioperative market.

Deepak Chopra, Chairman and CEO of OSI Systems, stated, "We are pleased to welcome the customers, vendors and employees of Blease to the OSI Healthcare Group of companies. This acquisition provides Blease and Spacelabs with the opportunity to further enhance their growing presence in the perioperative market and enables us to be more competitive in the Asian and European marketplace where the bundling of anesthesia and patient monitoring systems is commonplace. Although each company will continue to do business under its own name, and there are no immediate plans to integrate the brands, opportunities for leveraging in manufacturing service and sales wherever possible will be explored. The acquisition of Blease also reaffirms OSI's long-term commitment to the healthcare market, and achieves one of the European Commissions key objectives in the divestiture of Spacelabs by GE Medical in March 2004."

Dave Tilley, President of Spacelabs Medical, stated, "This acquisition is very exciting because it significantly strengthens both organizations. Working side-by-side, Spacelabs and Blease will provide reliable, global alternatives for clinicians seeking flexibility, cost-effectiveness and advanced capabilities in anesthesia and patient monitoring. Most importantly, this furthers the growth of an organization genuinely dedicated to providing its customers with more time to care."

Former Spacelabs Vice President of Global Strategic Marketing, Nicholas Ong, has been appointed as President of Blease. He will work closely with Andrew Ferguson during the transition period. Andrew Ferguson has accepted a position on the OSI Healthcare Advisory Committee at the conclusion of the transition period. "In my 16 years experience in the healthcare industry including anesthesia and patient monitoring industries I have always had a high regard for the quality and reputation of Blease and its employees. Blease and Spacelabs are an excellent fit as they operate sales and distribution networks in complementary markets. Spacelabs has relationships in USA, Europe and Asia-Pacific, while Blease has a direct UK sales force and distributors in many other key markets, including the Middle East and Africa."

Andrew Ferguson, Managing Director of Blease, welcomed the acquisition. "We are excited about this opportunity for growth and development as an OSI Healthcare Group company and the ability to work closely with Spacelabs in the perioperative market. Blease has always been a company that is committed to the philosophy of the 'Customer First', an approach that is also shared by our new partners. This will help to ensure that current Blease customers will continue to receive the high-quality attention as their patient care options expand."

Blease Medical Holdings Limited Background

Blease, based in Chesham UK, has been a leader in anesthesia solutions for clinicians for more than 50 years. The company specializes in the design, manufacture and distribution of anesthesia systems, vaporizers and ventilators. Blease, founded in 1946, is a leading OEM supplier of anesthesia products and components to the healthcare industry worldwide.

Blease products are sold internationally in anesthesia, critical care and emergency care areas. The company has approximately 120 employees at two UK sites and sales and service in approximately 80 countries.

For further information regarding Blease and their products please go to www.blease.com.

About OSI Systems, Inc.

OSI Systems Inc. is a Hawthorne, California based diversified global developer, manufacturer and seller of security and inspection systems, medical monitoring products, and optoelectronic-based components, as well as a provider of engineering and manufacturing services. 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 our expectations, goals or intentions about the future, including, but not limited to, statements regarding the future market and products of our Healthcare Group of companies, our commitment to the healthcare market, and the nature of our products and services. 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 Blease or our Healthcare group will be able to compete effectively against other providers of similar product or services. 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.