

September 29, 2005

Spacelabs Announces Contract for Approximately \$3 Million for Patient Monitoring Systems

September 29, 2005: Hawthorne, CA

Spacelabs Medical, a division of OSI Systems, Inc. (Nasdaq:[OSIS](#) - [News](#)), today announced it has received a multiphased contract from the Nemours/Alfred I. duPont Hospital for Children for patient monitoring systems. Phase I of the contract is worth approximately \$3 million, with Phases II and III still to be determined based upon the customer's needs.

The agreement calls for Spacelabs patient monitoring systems to be installed enterprise-wide in three phases, with the goal of providing clinicians easy access to all patient information at the point of care. The first phase of the contract calls for the replacement of all critical care monitors. Phase I installation is expected to begin this fall in the hospital's emergency department. Patient monitors will be installed in successive care areas every two weeks, with completion expected by the end of 2005.

Phase II, installation of patient monitor systems in all medical/surgical units, including outpatient high-acuity areas, is expected to begin in late fall 2005 and continue through summer 2006. Phase III, scheduled to be piloted during Phases I-II, features installation of critical care documentation tools that interface with the hospital's Cerner Millennium™ information system. Full installation of Phase III is expected to be completed by fall 2006.

"We welcome Spacelabs as a partner in helping Nemours/Alfred I. duPont Hospital for Children achieve this next milestone in the Nemours vision to adopt technology as a means of reducing clinical transactional friction and securing real-time clinical access to patient information anywhere at any time, including at the bedside, where it is needed most," said Stephen T. Lawless, MD, MBA, Chief Knowledge and Quality Officer for Nemours. "We serve thousands of critically ill children from throughout the world and sought a company we could count on for best-in-class, user-friendly technology, responsive customer service and high-level support. Spacelabs was the clear winner."

A special Monitor Evaluation Task Force established by the hospital evaluated potential partners for more than two years, seeking a company with open architecture technology that could capture and transfer physiologic information easily as children are transferred to different care areas throughout the hospital. According to Task Force Chair Tim Cox, Director of Respiratory Therapy and the Sleep Lab at duPont Hospital for Children, Spacelabs' intuitive touchscreen navigation, ease of maintenance and point-of-care tools that enhance clinical efficiency and patient safety were key to the task force's decision.

Dave Tilley, President of Spacelabs Medical, said, "We are deeply honored to be selected as the partner of choice by the Alfred I. duPont Hospital for Children, known worldwide for the excellence of its patient care. It is a privilege to help them provide greater access to point-of-care patient information, giving clinicians more time for patient care and for better-informed interactions with the children's families."

Through Spacelabs' ICS WinDNA feature, for example, duPont clinicians will be able to access laboratory reports, patient charts, Internet, intranet and other Windows applications right on the patient monitor display, reducing the need for additional computers in patient areas. Spacelabs ICS solutions also provide access to Emergin integration technology for automated secondary alarm notification at the bedside, to personal communications devices and to a hands-free Vocera Communications system.

About Spacelabs Medical

Spacelabs Medical (www.spacelabs.com), based in Issaquah, Wash., is a global manufacturer and distributor of patient monitoring systems for critical care and anesthesia, wired and wireless networks and clinical information connectivity solutions, ambulatory blood pressure (ABP) monitors and medical data services. It has an installed base of approximately 117,000 patient monitoring units worldwide, including around 60,000 in the U.S. and around 10,000 units in Europe. In addition, there are approximately 35,000 Spacelabs ABP monitors installed on a worldwide basis. Spacelabs has distribution partnerships in approximately 80 countries and sales or regional offices worldwide. Spacelabs employs approximately 800 employees worldwide. Spacelabs Medical is an OSI Systems company, www.osi-systems.com.

About OSI Systems, Inc.

OSI Systems, Inc. is a Hawthorne-based diversified global developer, manufacturer and seller of security and inspection systems, medical monitoring and anesthesia products, and optoelectronic devices and value-added subsystems. 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 sale of Spacelabs Medical equipment to the Nemours/Alfred I. duPont Hospital for Children. 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 the timing of performance under the sale agreement will occur in line with Spacelabs Medical's current expectations or that Phases II and III of such contract will take place, in whole or in part. 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.

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