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OSI Systems Receives Contracts Worth up to \$12M from U.S. Domestic Nuclear Detection Office

Awards Mark Company's Ability to Enable Next Generation WMD Detection

HAWTHORNE, Calif., Aug 31, 2010 (BUSINESS WIRE) -- OSI Systems, Inc. (NASDAQ:OSIS), a vertically-integrated provider of specialized electronic products for critical applications in the Security and Healthcare industries, today announced that its security division, Rapiscan Systems, has been awarded multiple Exploratory Research Program (ERP) contracts by the U.S. Department of Homeland Security (DHS) Domestic Nuclear Detection Office (DNDO). By conducting transformational research and development initiatives, DNDO's objective is to enlist thought leaders to advance the country's nuclear materials detection capabilities. With its leading scientists and engineers, Rapiscan has secured contracts that are incrementally funded for a total obligated value of \$2 million with additional options that could be exercised for a total value of up to \$12 million.

All of the contracts focus specifically on detecting shielded nuclear material. Specifically, the company has been charged with developing a Liquefied Noble gas detector (in collaboration with Yale University), a threshold activation detector, a human portable system and an aircraft inspection solution.

Ajay Mehra, President of Rapiscan Systems, stated, "These contracts require the unique combination of our team's experience in high-energy x-ray imaging, and nuclear, mechanical and electrical engineering. When successfully completed, these threat detection and verification technologies will provide additional inspection capabilities in protecting our nation from weapons of mass destruction being smuggled into the country. The innovative research at Rapiscan Laboratories, our R&D arm, continues to be at the forefront of combating some of this country's most serious security threats."

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

About Rapiscan Laboratories

Rapiscan Laboratories, based in Sunnyvale, California, is the research and development arm of Rapiscan Systems and focuses on leading-edge government research and development programs in the area of non-intrusive inspection (NII) of people, baggage and cargo for contraband such as explosives, drugs, chemicals and nuclear material. Employing such technologies as x-ray radiography, x-ray computed tomography, neutron- and photon-based threat material detection and identification, many of the developments at Rapiscan Laboratories are incorporated into Rapiscan Systems security products.

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.

SOURCE: OSI Systems, Inc.

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