OSI SYSTEMS, INC.

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OSI Systems Awarded 10-Year Contract for Cargo Turn-Key Scanning Solution by Puerto Rico Ports Authority

- **New Business Model for OSI Systems - Fee Per Scan Turn-Key Solution includes Equipment, Operation and Maintenance Services**

HAWTHORNE, Calif., Jan 07, 2010 (BUSINESS WIRE) -- OSI Systems, Inc. (NASDAQ: OSIS), a vertically-integrated provider of specialized electronics and services, today announced that it has been awarded, through its Rapiscan division, a 10-year contract from the Puerto Rico Ports Authority ("PRPA") to provide a complete turn-key solution resulting in the scanning of all containerized inbound cargo at the Port of San Juan. Under the terms of the contract, which includes two renewal options for an additional five years each, Rapiscan will provide cargo scanning services using multiple Rapiscan Eagle(R) high-energy X-ray systems at various locations at the Port of San Juan. The Port of San Juan is a major cargo hub in the Caribbean, handling nearly 1.7 million TEU's (Twenty-foot Equivalent Units), including both inbound and outbound, in 2008.

OSI Systems CEO Deepak Chopra stated, "The cargo scanning initiative at the Port of San Juan represents not only a new business model for the Company but a new model in port security as a first-of-its-kind program which would result in the scanning of all inbound containers at high throughput and low cost. To fulfill the PRPA's stringent technical and logistical requirements for this ground-breaking project, we have designed a fast, efficient and comprehensive solution based on our operations expertise and our state-of-the-art Rapiscan Eagle(R) high energy X-ray systems through the Company's newly initiated Screening Solution Business, S2 Global."

"Moreover," Mr. Chopra continued, "the S2 business substantially expands the size of the market we address, by opening new opportunities with customers who are not in the market for outright ownership of scanning equipment, or are otherwise seeking the efficiencies and operational expertise offered by our turn-key solutions team. As more ports around the world implement U.S.-mandated cargo inspection processes, we expect opportunities for our Screening Solution business to grow. We believe this newly-added business model will, in the long run, significantly enhance our opportunities and financial results in our Security Division."

Ajay Mehra, President of Rapiscan, added, "We specifically targeted the Port of San Juan for this project as one in which we are able to showcase the type of comprehensive, turn-key, custom-tailored solution that is uniquely available from the Company's Screening Solution business, S2 Global. The S2 business, led by Jonathan Fleming, former COO of the U.S. Transportation Security Administration, is an important addition to our historically technology-centric, manufacturing-driven business model in that it is a pure service model leveraging our in-house portfolio of leading-edge scanning technologies. This services business is expected to generate comparatively higher margins than equipment sales, and provides a longer stream of revenues for a given sale."

Director of the Puerto Rico Ports Authority, Mr. Alvaro Pilar-Vilagrán, stated that "the Puerto Rico Ports Authority is implementing this unprecedented scanning program as part of Governor Luis Fortuño's efforts to reduce crime. The program aims to eliminate the import of drugs, illegal weapons and other contraband into Puerto Rico, while affording the Ports Authority a mechanism to fight tax evasion. The turn-key scanning solution proposed by the S2 division of Rapiscan prevailed in a competitive process as the most effective and efficient means of achieving the PRPA's requirements. We believe this program will set the standard in port security, and creates a new model for public-private cooperation that achieves rapid implementation with minimum investment by the taxpayers."

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

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 contract to provide an integrated turn-key solution through its wholly owned operational subsidiary, S2 Global Inc.The actual results may differ

materially from those described in or implied by any forward-looking statement. In particular, the timing, and delivery of the inspection systems may not ultimately remain in line with the company's current expectations.Other important factors are set forth in the Securities and Exchange Commission filings OSI Systems, Inc. All forward-looking statements speak only as of the date made, and the company undertakes no obligation to update these forward-looking statements.

SOURCE: OSI Systems, Inc.

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