

December 6, 2017

OSI Systems Responds to Short Seller's Report

HAWTHORNE, Calif.--(BUSINESS WIRE)-- OSI Systems, Inc. (the "Company" or "OSI Systems") (NASDAQ: OSIS) provides the following statement in response to a report this morning by short-sellers "Muddy Waters Research". While the Company would not customarily respond to misleading allegations from short sellers, this particular report has had an undue impact in the public sphere and warrants a response.

We begin by noting that our turnkey security inspection programs in Mexico and in Albania were the result of public tenders. Both have resulted in enhanced security, increased seizures of contraband, and improved transparency in customs declarations, significantly benefiting both countries.

Our Albania turnkey security inspection program is operated in partnership with ICMS, a local company with civil works construction capabilities in Albania, with a profit share in accordance with the terms of our agreement with ICMS. ICMS implemented all civil works construction for the program. As such, both we and ICMS made significant capital investments toward the implementation of the program in a value well beyond the par value of shares.

Our Mexico turnkey security inspection program operates security inspection checkpoints at multiple critical sites across Mexico as designated by the government. The program has resulted in significant seizures of high-value contraband. The Company has previously stated that we are in discussions with the government towards the extension of the program under a reduced revenue rate.

OSI Systems, Inc., through its Security Division, is a leading provider of security inspection technologies and services. We count among our clientele many of the leading security agencies in the world, including in the U.S. federal government.

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Forward-Looking Statements

This press release contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, Section 27A of the Securities Act of 1933, as amended, and Section 21E of the Securities Exchange Act of 1934, as amended. Forward-looking statements relate to OSI Systems' current expectations, beliefs, projections and similar expressions concerning matters that are not historical facts and are not guarantees of future performance. Forward-looking statements involve uncertainties, risks, assumptions and contingencies, many of which are outside OSI Systems' control that may cause actual results to differ materially from those described in or implied by any forward-looking statements. All forward-looking statements are based on currently available information and speak only as of the date on which they are made. OSI Systems assumes no obligation to update any forward-looking statement made in this press release that becomes untrue because of subsequent events, new information or otherwise, except to the extent it is required to do so in connection with its ongoing requirements under Federal securities laws. For a further discussion of factors that could cause OSI Systems' future results to differ materially from any forward-looking statements, see the section entitled "Risk Factors" in OSI Systems' most recently filed Annual Report on Form 10-K and other risks described therein and in documents subsequently filed by OSI Systems from time to time with the Securities and Exchange Commission.

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