



PRESS RELEASE

Biosensor Applications, Sweden and Rapiscan Security Products, USA sign Distribution Agreement

Los Angeles and Stockholm, (May 6, 2004) -- Biosensor Applications Sweden AB ("Biosensor") and Rapiscan Security Products ("Rapiscan"), a wholly-owned subsidiary of OSI Systems, Inc., today signed an agreement under which Rapiscan will have exclusive marketing and distribution rights to Biosensor's BIOSENS-D/E drug/explosive detection system in Americas, Europe, Middle East, India, Australia, New Zealand and Korea.

"The distribution agreement with Rapiscan is a breakthrough for Biosensor now that we are entering an industrialization phase. We are delighted that a strong security player like Rapiscan has recognized the value of our BIOSENS-D system and will help us market our products. The combination of Rapiscan's advanced security products and market know-how makes a perfect match with our BIOSENS system" says Carl Lundberg, CEO of Biosensor Applications.

The BIOSENS system, which serves as an "artificial dog nose", was developed in Sweden and is based on a unique combination of collection and analysis systems using cutting edge biotechnology sensors.

The BIOSENS-D system for drug detection has proven Probability of Detection (PoD) rates and low False Alarm Rates (FAR) in detecting the most prevalent illegal drugs such as amphetamine, cocaine, heroin and ecstasy. Other applications under development for the BIOSENS system include the detection of explosives, mines and biochemical weapons.

About Biosensor Applications Sweden AB

The development of the BIOSENS system began in 1995 as a project within the defense group Bofors. In 1998 a group of private investors took over the project. Since then, the system has been further developed and today it is a multifunctional collection and analysis system based on biotechnology. The system is simple to administrate and can be used for the detection of a broad spectrum of chemical and biological substances. As of today, more than 200 MSEK (26 MUSD) has been invested in the development of the BIOSENS detection system.

About Rapiscan

Rapiscan is a leading supplier of high quality X-ray screening and explosive detection systems. Rapiscan has delivered over 8,000 of these detection systems to customers worldwide for use at the airports, customs facilities, courthouses, government buildings, mailrooms, schools, prisons, embassies, palaces museums and other locations. The Rapiscan product line provides turnkey systems consisting of hand held metal detectors, walkthrough archway metal detectors, X-ray scanning machines, communications and video equipment etc. at security check points. The products are manufactured at four global locations. The after sales services are provided from dozens of strategically located service centers.

Rapiscan is a fully owned subsidiary of OSI Systems. OSI is publicly traded on the NASDAQ under the symbol "OSIS"

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