



## **FLIR Systems Signs Pricing Agreement with Lockheed Martin to Provide Thermal Imaging Systems for U.S. Coast Guard's "Deepwater Program"**

### **30-Year, Multi-Billion-Dollar Program Largest In Coast Guard History**

PORTLAND, Ore., Jul 23, 2003 (BUSINESS WIRE) -- FLIR Systems, Inc. (NASDAQ:FLIR) announced today that it has signed a Site Pricing Agreement to supply its thermal imaging systems equipment to the Integrated Deepwater System (IDS) program for the U.S. Coast Guard. FLIR is a subcontractor to Lockheed Martin Naval Electronics and Surveillance Systems-Surface Systems which is a major contractor to Integrated Coast Guard Systems (ICGS), a joint venture of Lockheed Martin (NYSE: LMT) and Northrop Grumman (NYSE: NOC). In June 2002, the U.S. Coast Guard awarded the Deepwater contract to ICGS.

The Site Pricing Agreement will expedite future procurements by using pre-negotiated pricing and contract terms. FLIR Systems was awarded this agreement under a competitive procurement. The Deepwater Program utilizes an innovative "Mission-Based Performance Acquisition" approach by partnering with the leaders in industry to maximize operational effectiveness at the lowest total ownership cost. The deliveries under the four-year agreement are conditioned on the receipt of individual purchase orders.

The Deepwater Program is a 30-year, multi-billion-dollar program to renovate, modernize and in some cases replace the U.S. Coast Guard's fleet of ships and aircraft that patrol U.S. Territorial Waters and involves the development and deployment of an integrated system of surface and air command and control communications incorporating computers, surveillance, reconnaissance and logistics systems. There will be at least one thermal imaging system on each of the vessels and aircraft in addition to those utilized at several ground command and control facilities. The first asset to receive a SeaFLIR™ II has been the USCGC MATAGORDA, which is the first conversion of a 110' cutter into a 123' cutter under the Deepwater Program.

"The execution of this agreement is a significant step for FLIR as a member of the Deepwater Program, and we are proud to work with the country's leading defense-electronics company, Lockheed Martin Company, to provide the latest infrared imaging technology to allow the men and women of the Coast Guard to perform their critical missions more effectively and safely," said Earl Lewis, President and CEO of FLIR Systems. "We look forward to supporting the Deepwater Program for many years to come," he concluded.

#### About FLIR Systems

FLIR Systems designs, manufactures and markets infrared imaging systems worldwide for a variety of applications. FLIR's imaging products are used in such diverse applications as public safety, defense, navigation, electronic newsgathering and search and rescue. Thermography products support such applications as condition monitoring, non-destructive testing, medical science, research and development, and manufacturing process control. For more information, please visit their Web site at [www.flir.com](http://www.flir.com).

#### Forward-Looking Statements

This release contains statements, including statements regarding FLIR's deliveries under the site pricing agreement with Lockheed Martin Corporation and its participation in the U.S. Coast Guard's Deepwater Program, that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Such statements are based on current expectations, estimates and projections about the Company's business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors, including the following: an inability of the Company to satisfactorily perform under the Site Pricing Agreement, a lack of sufficient funds required under the contract for the procurement of such systems, changes in the Deepwater Program generally, the impact of competitive products and pricing, constraints on supplies of critical components, excess or shortage of production capacity, actual purchases under agreements, the amount and availability of appropriated government procurement funds generally and other risks discussed from time to time in the Company's Securities and Exchange Commission filings and reports, including the Company's Annual Report on Form 10-K for the year ended December 31, 2002. In addition, such statements could be affected by general industry and market conditions and growth rates, and general domestic and international economic conditions. Such forward-looking statements speak only as of the date on which

they are made and the company does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this release.

SOURCE: FLIR Systems, Inc.

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