

**Fourth Quarter 2015
Results Summary**



The World's **Sixth Sense**™

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Revenue	EPS	Operating Margin
\$438 million <i>Up 1% vs PY</i> <i>(Up ~3% vs PY constant currency)</i>	\$0.51 <i>Flat vs PY</i> \$0.47 Adj* <i>Up 4% vs PY</i>	21% <i>Operating Income Up 6% vs PY*</i>

- Stronger U.S. dollar negatively impacted revenue by approximately \$11 million
- Cash flow from operations of \$78.3 million was up 25% over Q4 2014
 - Improved working capital utilization
- Backlog of \$604 million, highest since 2008
- Acquired DVTEL for \$92 million
 - Expands software capabilities of Security segment

* Adjusted to exclude restructuring charges, investment gain, and discrete tax items..

Revenue

\$1.557 billion
Up 2% vs PY
(Up ~6% vs PY constant currency)
(currency reduced revenue by ~\$63M)

EPS

\$1.72 <i>Up 23% vs PY</i>	\$1.56 Adj* <i>Up 10% vs PY</i>
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Operating Margin

20%
*Operating Income Up 11% vs PY**

Total Backlog

(\$s in millions)

Year	Backlog (\$ millions)
2013	\$490
2014	\$547
2015	\$604

Growth Summary

Year-Over-Year

Revenue	+2%
Revenue - Constant Currency	+6%
Adjusted Operating Income*	+11%
Adjusted Net Income*	+8%
Adjusted EPS*	+10%
Operating Cash Flow	+22%

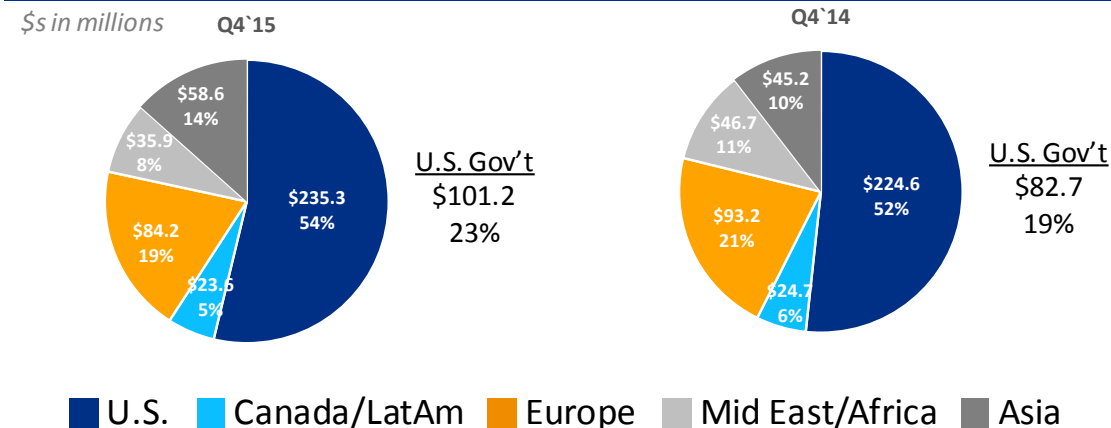
Select New Products

- Revenue of \$1.60 – \$1.65 billion
 - An increase of approximately 3% to 6% over 2015
- EPS of \$1.60 – \$1.70
 - An increase of approximately 3% to 9% over 2015 (excluding 2015 restructuring, investment gain, and discrete tax items)
 - Expected effective tax rate of 26%, excluding any future discrete tax items
 - First quarter 2016 margins expected to be lower than first quarter 2015 margins
- Announced quarterly dividend of \$0.12 per share, payable on March 4th to shareholders of record as of February 19th

(\$s in millions, except per share amounts)

	Q4 2015	Q4 2014	YoY Chg %
Revenue	\$437.6	\$434.4	1%
Gross Profit	207.3	214.7	(3%)
Gross Margin %	47%	49%	-207 bps
Operating Income	\$93.5	\$87.4	7%
Restructuring Charges (Pre-Tax)	0.3	1.0	
Adjusted Operating Income	\$93.8	\$88.4	6%
Operating Margin %	21%	20%	108 bps
Net Income	\$70.2	\$72.8	(4%)
After-Tax Restructuring Charges	0.2	0.7	
After-Tax Gain on Investment	(12.7)	–	
Discrete Tax Charges/(Benefit)	7.4	(9.4)	
Adj Net Income	\$65.0	\$64.1	1%
Diluted Share Count	139.0	142.5	
EPS	\$0.51	\$0.51	–
Adjusted EPS	\$0.47	\$0.45	4%

Revenue by Geography



Key Cash Flow Items

\$s in millions

	Q4 2015	Q4 2014	YoY Chg %
Cash Flow from Operations	\$78.3	\$62.8	25%
Capital Expenditures	(18.1)	(20.3)	
Share Repurchases	(29.8)	(62.6)	
Dividends	(15.2)	(14.1)	
Other Investments	(66.6)	0.0	
Net Change in Cash	(52.6)	(34.0)	
Ending Cash Balance	472.8	531.4	(11%)

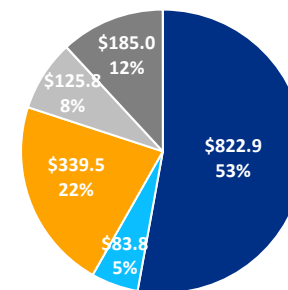
(\$s in millions, except per share amounts)

	FY 2015	FY 2014	YoY Chg %
Revenue	\$1,557.1	\$1,530.7	2%
Gross Profit	753.6	750.4	0%
Gross Margin %	48%	49%	-63 bps
Operating Income	\$305.8	\$259.2	18%
Restructuring Charges (Pre-Tax)	1.4	17.0	
Adjusted Operating Income	\$307.1	\$276.2	11%
Operating Margin %	20%	18%	168 bps
Net Income	\$241.7	\$200.3	21%
After-Tax Restructuring Charges	1.0	12.9	
After-Tax Gain on Investment	(12.7)	-	
Discrete Tax Charges/(Benefit)	(10.0)	(9.4)	
Adj Net Income	\$220.0	\$203.8	8%
Diluted Share Count	140.8	143.6	
EPS	\$1.72	\$1.39	24%
Adjusted EPS	\$1.56	\$1.42	10%

Revenue by Geography

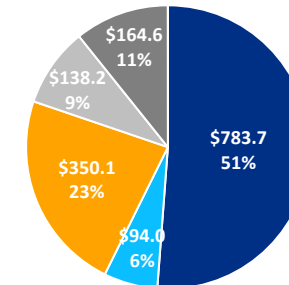
\$s in millions

2015



U.S. Gov't
\$309.9
20%

2014



U.S. Gov't
\$310.4
20%

■ U.S. ■ Canada/LatAm ■ Europe ■ Mid East/Africa ■ Asia

Key Cash Flow Items

\$s in millions

	FY 2015	FY 2014	YoY Chg %
Cash Flow from Operations	\$275.8	\$226.2	22%
Capital Expenditures	(68.2)	(61.3)	
Share Repurchases	(123.2)	(139.2)	
Dividends	(61.4)	(56.5)	
Other Investments	(66.6)	12.0	
Net Change in Cash	(58.6)	(11.1)	
Ending Cash Balance	472.8	531.4	(11%)

Q4 2015

Segments Summary

(\$ in millions)

	Q4 2015	Q4 2014	YoY Chg %	YoY Chg % Constant Currency
Revenue				
Surveillance	\$150.7	\$157.9	(5%)	(4%)
Instruments	98.6	103.5	(5%)	(0%)
Security	68.4	56.4	21%	24%
OEM & Emerging	49.2	50.2	(2%)	0%
Maritime	36.0	40.1	(10%)	(4%)
Detection	34.7	26.2	32%	33%
Total Revenue	\$437.6	\$434.4	1%	3%
Adjusted Operating Income				
Surveillance	\$49.2	\$48.1	2%	
Instruments	34.7	35.4	(2%)	
Security	9.2	10.3	(10%)	
OEM & Emerging	7.6	14.6	(48%)	
Maritime	0.6	1.3	(59%)	
Detection	9.6	5.2	83%	
Segment Adj Operating Income	\$110.7	\$115.0	(4%)	
<i>Segment Operating Margin %</i>	25%	26%	-117 bps	
Corporate Expenses	(17.0)	(26.6)	(36%)	
Total Adj Operating Income	\$93.8	\$88.4	6%	
<i>Total Operating Margin %</i>	21%	20%	108 bps	

FY 2015	FY 2014	YoY Chg %	YoY Chg % Constant Currency
\$503.0	\$520.0	(3%)	(2%)
347.5	354.1	(2%)	5%
226.6	179.1	27%	29%
186.7	199.1	(6%)	(2%)
177.9	192.6	(8%)	2%
115.3	85.7	34%	35%
\$1,557.1	\$1,530.7	2%	6%
\$145.9	\$132.5	10%	
113.5	110.0	3%	
28.1	24.9	13%	
41.0	50.4	(19%)	
13.6	24.4	(44%)	
26.9	11.5	134%	
\$369.1	\$353.6	4%	
24%	23%	60 bps	
(62.0)	(77.4)	(20%)	
\$307.1	\$276.2	11%	
20%	18%	168 bps	

Operating Income adjusted to exclude restructuring charges.



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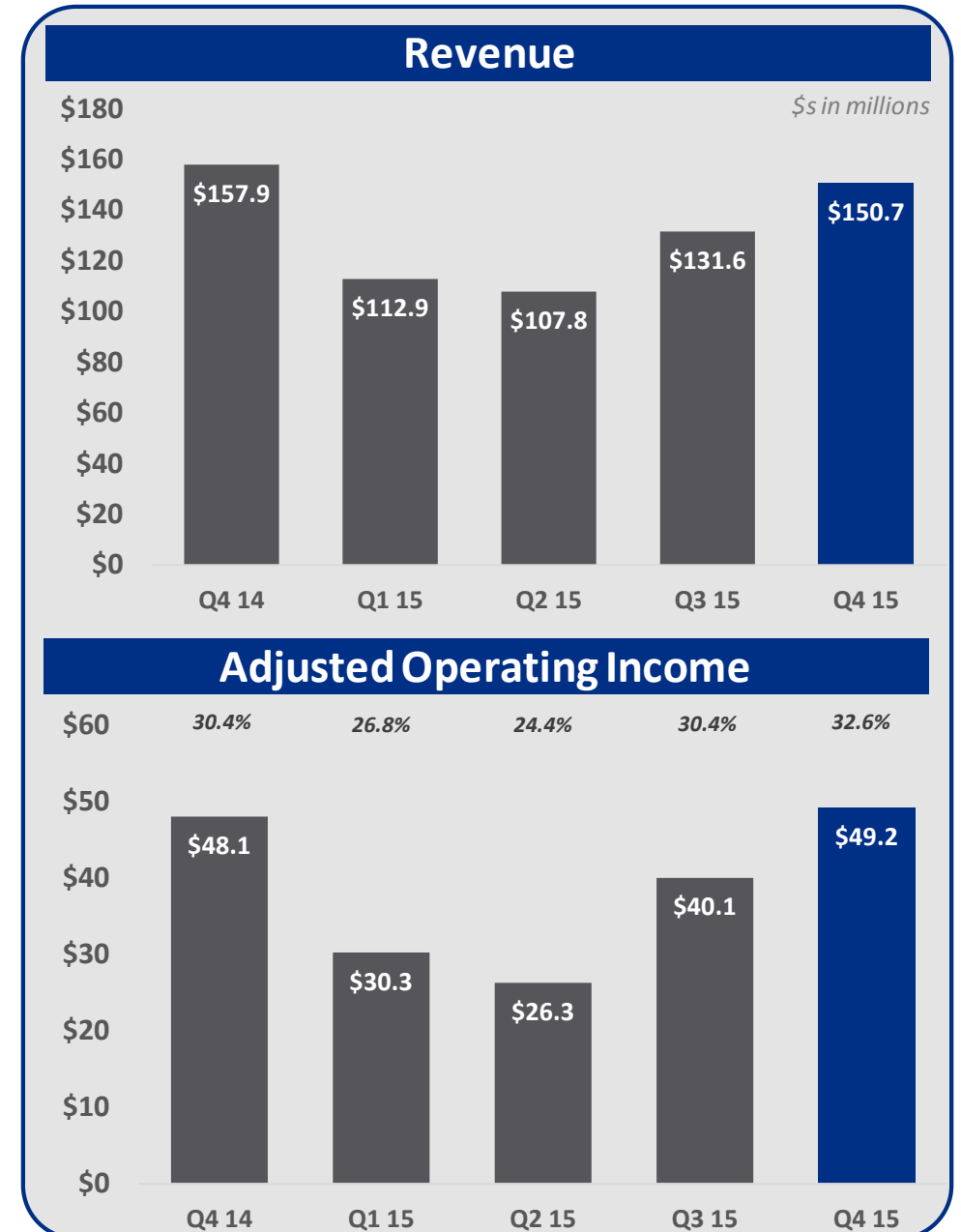
Q4 2015 Surveillance

- Q4 revenue down 5% vs prior year
 - COSFPS and Middle East shipments in prior year created difficult comparable
- Q4 adjusted operating income growth of 2% over prior year
 - Adjusted operating margin improved ~220 basis points year-over-year driven by reduced operating expenses
- Q4 ending backlog of \$309 million, a decrease of 2% vs Q3`15 and increase of 4% vs end of 2014
 - Q4 book-to-bill of 0.9x
 - Bookings growth of 28% over Q4`14

Introduced Scout TK (January 2016)



- Handheld thermal monocular for outdoor enthusiasts
- Lepton camera core
- MSRP of \$599



Operating Income adjusted to exclude restructuring charges. 2014 Revenue and Adjusted Operating Income amounts restated for the addition of PVS.

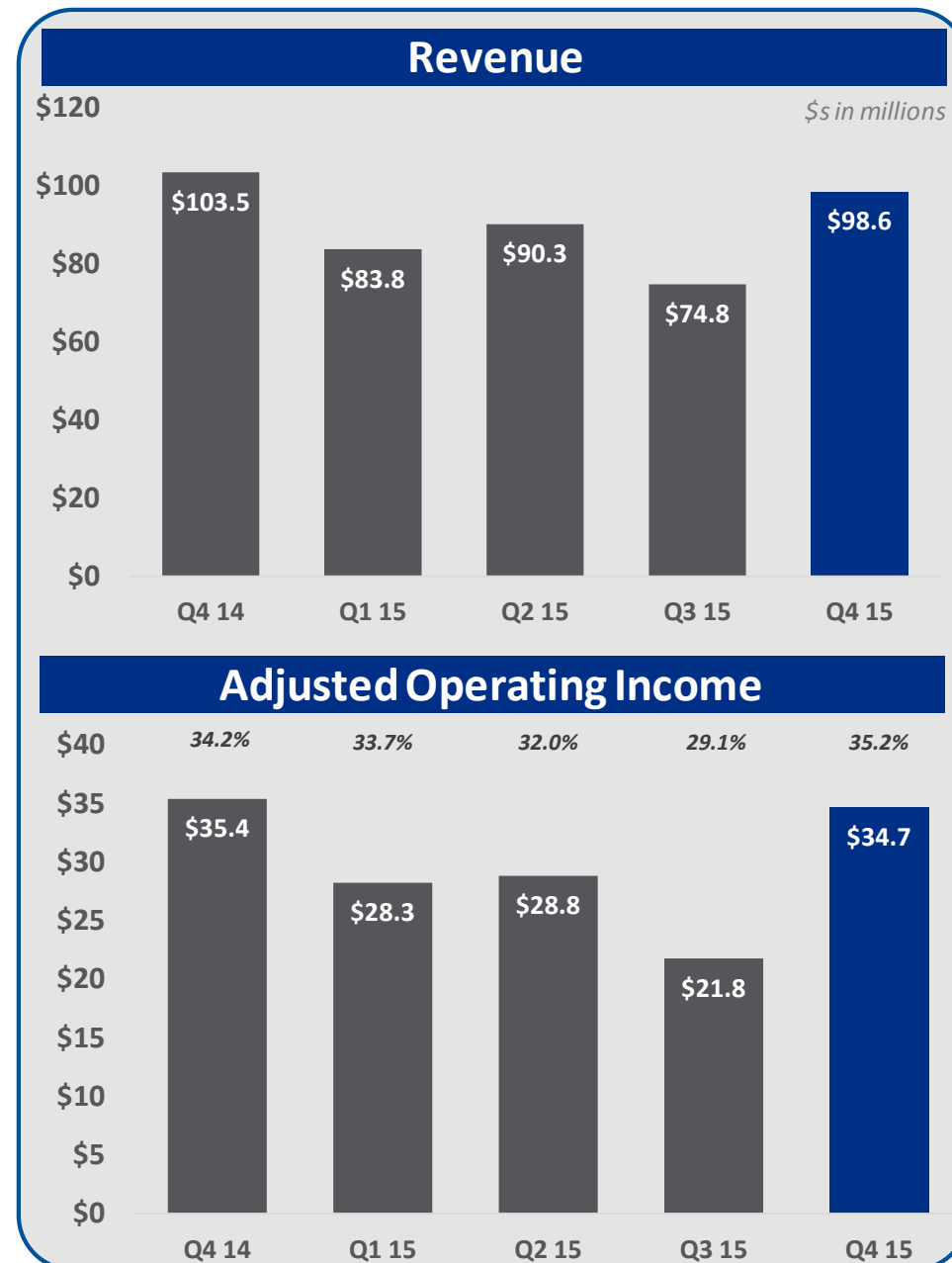
Q4 2015 Instruments

- Q4 revenue down 5% vs prior year
 - Foreign exchange negatively impacted revenue by approximately \$5 million, or 5 percentage points
 - Strength from Test & Measurement as well as Science cameras
 - Slowness in demand in premium Building & Predictive Maintenance products due in part from delayed T1K shipments
- Q4 adjusted operating income down 2% vs prior year
 - Adjusted operating margin increased 100 basis points year-over-year driven by reduced operating expenses

Introduced the TG-130 (January 2016)



- Handheld spot temperature tool for professionals and homeowners
- Pinpoint window and door air leaks, missing insulation, and other structural issues in a home or building
- Lepton camera core
- MSRP of \$249



Operating Income adjusted to exclude restructuring charges.

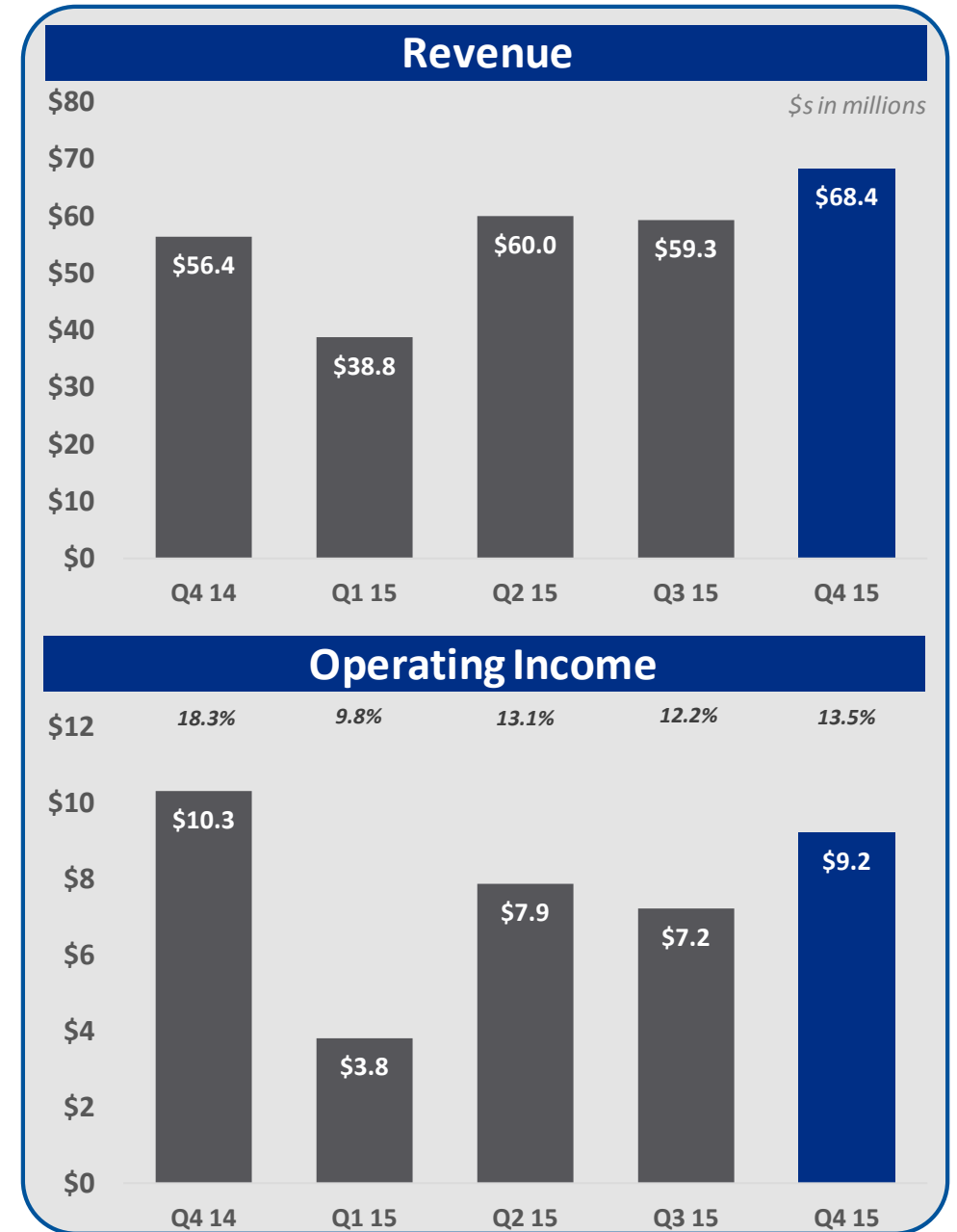
Q4 2015 Security

- Q4 revenue up 21% vs prior year
 - Strength from Lorex-branded products, FLIR Residential
- Q4 operating income down 10% vs prior year
 - Adjusted operating margin declined 480 basis points vs prior year due to product mix shifts and increased marketing spend

Acquisition of DVTEL



- Project-based, enterprise-class video surveillance solutions
- Complimentary software, hardware, and channels to market
- Heavy software component, including advanced VMS and video analytics
- Accretive to Security segment gross margins
- Neutral to 2015 EPS, accretive thereafter



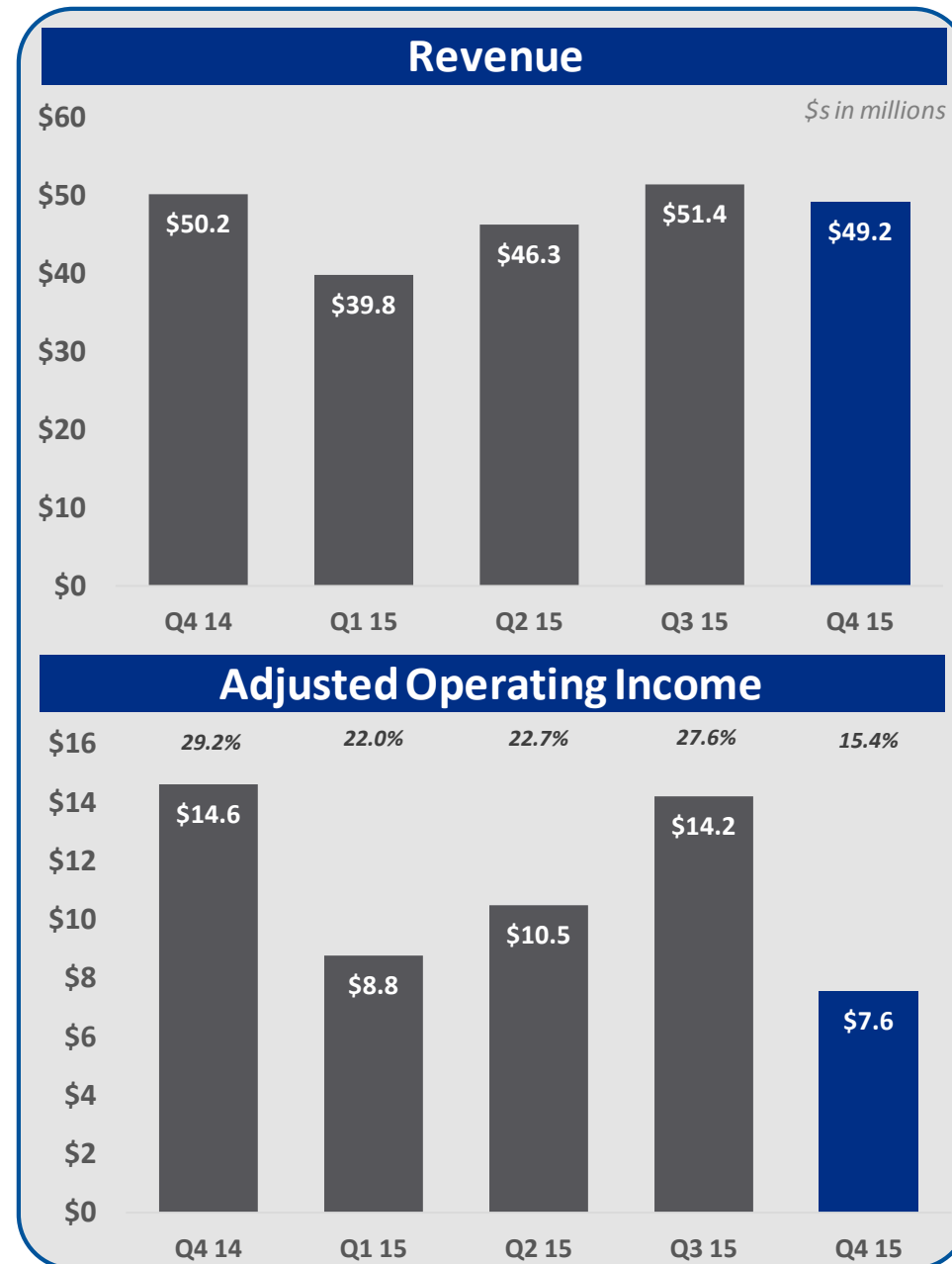
Q4 2015 OEM & Emerging

- Q4 revenue down 2% vs prior year
 - Decline driven by approx. \$1 million negative impact from foreign exchange and soft military cores shipments
 - Strength from Mobile and UAS
- Q4 operating income down \$7.1 million, or 48%, vs prior year
 - Site consolidation and move resulted in approx. \$5 million of expense
- Backlog up 22% versus Q3`15
 - Strong order flow from military customers at year end

Introduced the DJI Zenmuse XT (December 2016)



- Developed in collaboration with DJI
- Stabilized thermal imaging camera system specifically for unmanned aerial systems (UAS)
- Enrich the value proposition of UASs with advanced sensory data essential for search and rescue, firefighting, agriculture, wildlife protection, building and infrastructure inspection, and several other industrial-use cases



Operating Income adjusted to exclude restructuring charges. 2014 Revenue and Adjusted Operating Income amounts restated for the removal of PVS.

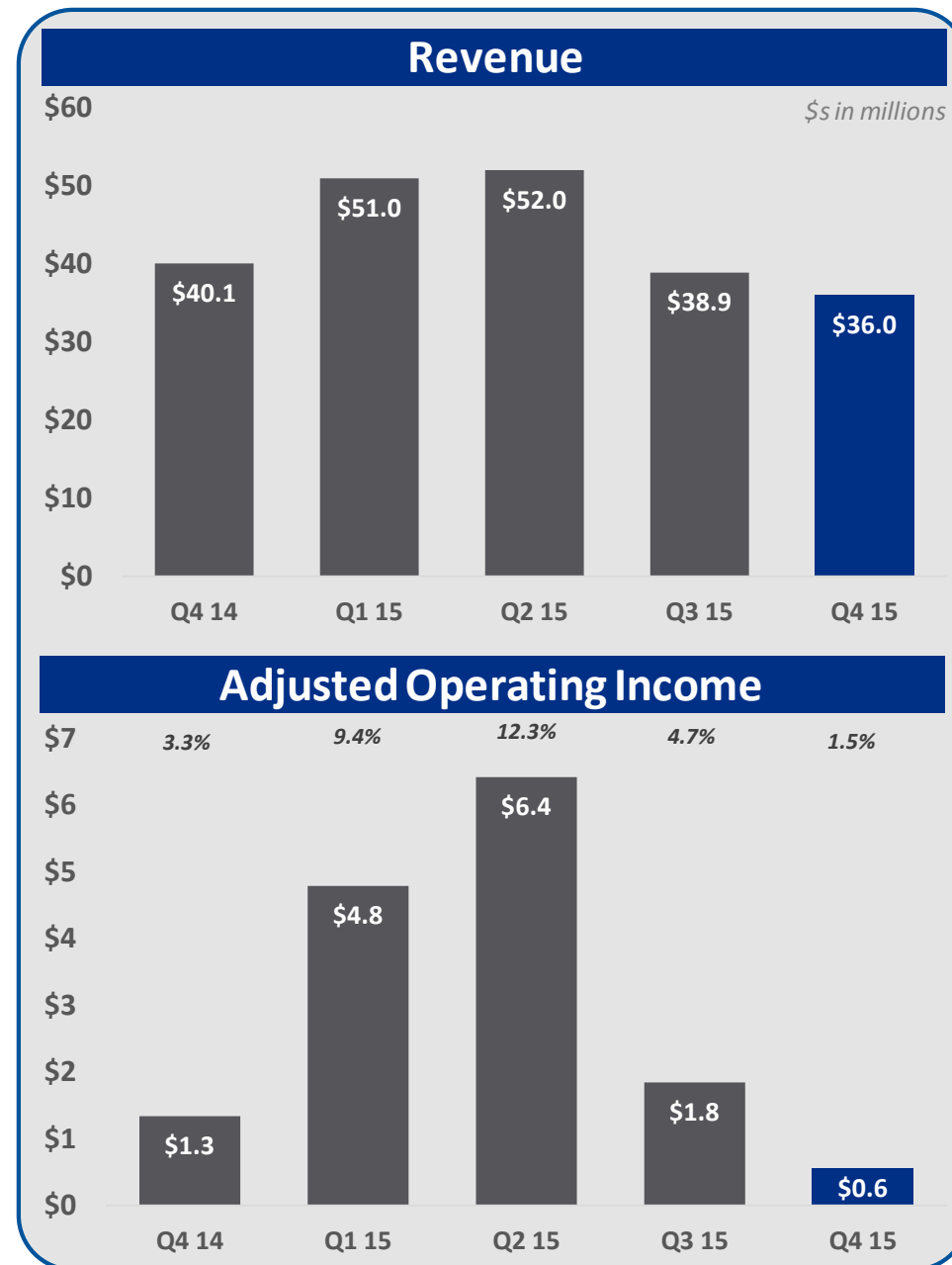
Q4 2015 Maritime

- Q4 revenue down 10% vs prior year
 - Foreign exchange negatively impacted revenue by approximately \$2 million, or 6 percentage points
- Q4 operating income down \$800K vs prior year
 - Negative impact due to currency and pricing pressure

Introduced the Quantum CHIRP Wireless Radar (Jan. 2016)



- First recreational-class, solid-state CHIRP radar
- CHIRP (compressed radar pulses) and FLIR's ATX™ target separation technology create unsurpassed resolution
- Wireless connectivity for easy installation
- Product class-leading size, weight, and power
- MSRP starting at \$1,699



Operating Income adjusted to exclude restructuring charges.

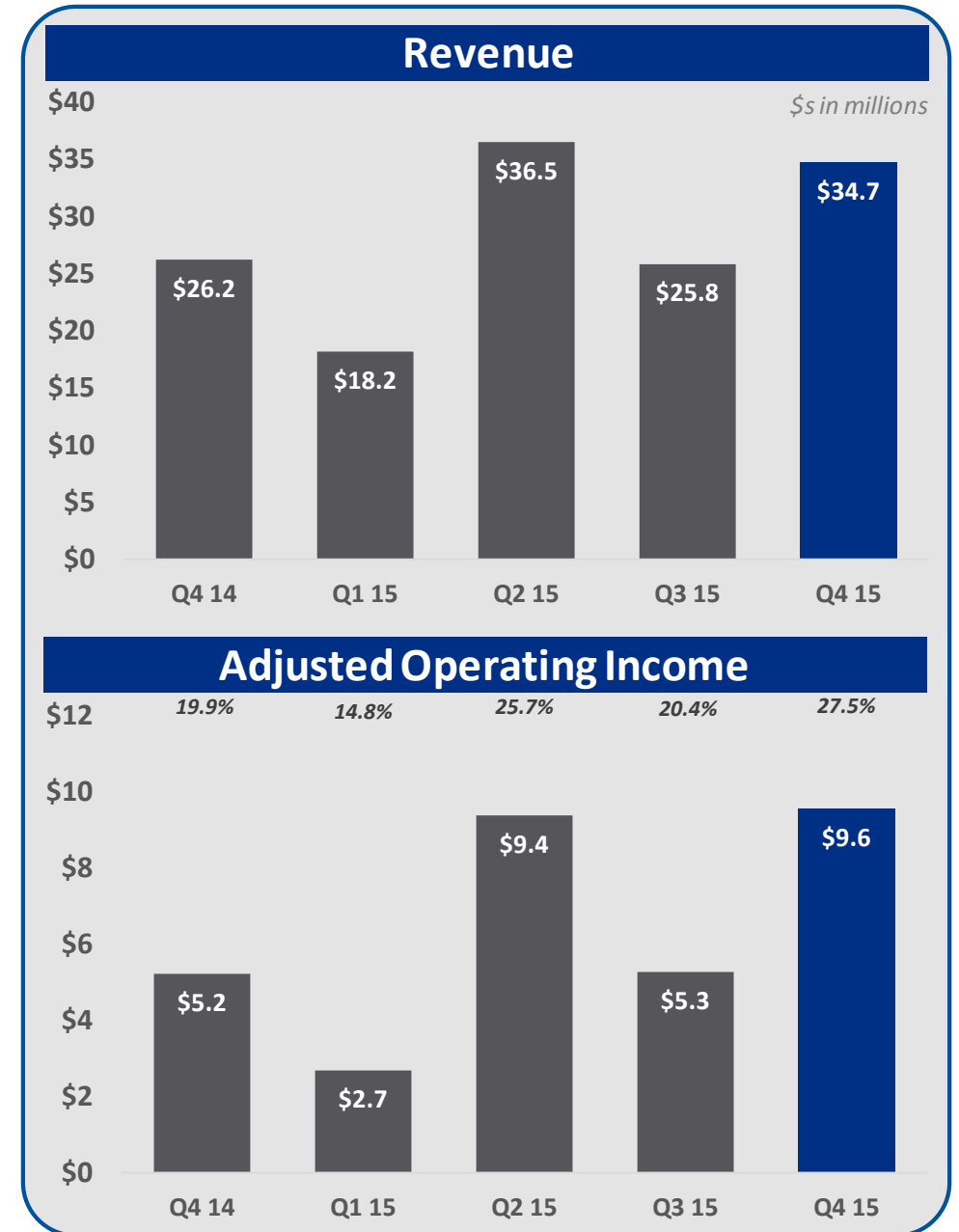
Q4 2015 Detection

- Q4 revenue up 32% vs prior year
 - DR SKO program grew 52% vs prior year
 - Products revenue up 27% vs prior year
- Q4 operating income up 83% vs prior year
 - Adjusted operating margin improved 760 basis points year-over-year driven by product mix and reduced COGS
- Q4 ending backlog of \$82 million
 - Increase of \$10 million over end of Q3`15
 - Increase of \$31 million over end of 2014

Introduced the IdentiFINDER R200 (Q4 2015)



- Solid-state spectroscopic personal radiation detector (SPRD) for situational awareness for law enforcement and first responders
- Continuous radiation monitoring as well as nuclide identification
- Ruggedized and wearable, weighing less than 1 pound
- Common and simplified user interface
- \$2,995 MSRP, represents lowest priced wearable SPRD with identification and ANSI compliance



Operating Income adjusted to exclude restructuring charges.



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