



FLIR Systems Announces Second Quarter 2009 Financial Results

Operating Profit up by 31%; Earnings per Share up by 21%

PORTLAND, OR, Jul 23, 2009 (MARKETWIRE via COMTEX News Network) -- FLIR Systems, Inc. (NASDAQ: FLIR) today announced financial results for the second quarter ended June 30, 2009. Revenue was \$278.0 million, up 7% compared to second quarter 2008 revenue of \$261.0 million. Excluding the effects of exchange rates, revenue increased by 12% in the second quarter. Operating income in the second quarter was \$84.7 million, up 31% from \$64.7 million in the second quarter of 2008. Second quarter 2009 net income was \$55.7 million, or \$0.35 per diluted share, compared with net income of \$44.6 million, or \$0.29 per diluted share, in the second quarter a year ago. Cash provided by operations during the quarter was \$57.7 million.

Revenue from the Company's Government Systems division increased 22% over the second quarter of 2008, to \$160.4 million, with strength in stabilized gimbaled systems. Revenue from the Company's Commercial Vision Systems division increased 4% over the second quarter of last year, to \$50.8 million, reflecting growth in the cores and components markets. Revenue from the Company's Thermography division decreased 17% from the second quarter of last year, to \$66.8 million, primarily due to changes in exchange rates and lower demand for high-value products for the predictive maintenance market. Excluding the effect of exchange rates, Thermography revenue decreased 9% in the quarter.

The Company's backlog of firm orders for delivery within the next twelve months was approximately \$598 million at June 30, 2009, a decrease of \$19 million during the quarter. Backlog in the Government System's division was \$467 million, down \$37 million during the quarter. Backlog in the Commercial Vision Systems division was \$108 million, up \$13 million during the quarter, while backlog in the Thermography division was \$23 million, up \$5 million during the quarter.

"We are pleased with our performance in the second quarter. Gross and operating margins remained at record levels, operating cash flow remained strong, and backlog in our commercial businesses increased significantly. We achieved this performance through continued solid execution in a difficult economy, as all three divisions once again improved gross and operating margins over the prior year," noted Earl Lewis, President and CEO.

Revenue and Earnings Outlook for 2009

Based on its financial results for the first half of 2009, and the outlook for the remainder of the year, FLIR announced today that it is revising its outlook for revenue and earnings per share for the full year 2009. Management currently expects revenue for 2009 to be in the range of \$1.1 billion to \$1.15 billion, a reduction of \$100 million compared with the previous outlook. In the first half of 2009, the effect of currency rates reduced revenue by approximately \$33 million, and such effects are expected to continue in the second half. As a result of lower revenue, management has narrowed its earnings per share outlook to the low end of its previous outlook and currently expects net earnings to be in the range of \$1.40 to \$1.44 per diluted share, compared with the previous outlook of \$1.40 to \$1.47 per diluted share.

Conference Call

FLIR has scheduled a conference call at 8:00 am EDT today. A simultaneous webcast will be available from the Investor Relations link at www.FLIR.com. A replay will be available after 12:00 PM EDT at this same internet address. For a telephone replay, dial (800) 642-1687, Conference ID #17141344 after 12:00 PM EDT.

About FLIR Systems

FLIR Systems, Inc. is a world leader in the design, manufacture, and marketing of thermal imaging and stabilized camera systems for a wide variety of thermography and imaging applications including condition monitoring, research and development, manufacturing process control, airborne observation and broadcast, search and rescue, drug interdiction, surveillance and reconnaissance, navigation safety, border and maritime patrol, environmental monitoring and ground-based security. Visit the Company's web site at www.FLIR.com.

Forward-Looking Statements

The statements in this release by Earl R. Lewis and the statements in the section captioned "Revenue and Earnings Outlook for 2009" above 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: changes in demand for the Company's products, product mix, the timing of customer orders and deliveries, the impact of competitive products and pricing, the Company's continuing compliance with US export control laws and regulations, the timely receipt of any required export licenses, constraints on supplies of critical components, excess or shortage of production capacity, the ability to manufacture and ship the products in the time period required, actual purchases under agreements, the continuing eligibility of the Company to act as a federal contractor, the amount and availability of appropriated government procurement funds and other risks discussed from time to time in the Company's Securities and Exchange Commission filings and reports. 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, or for changes made to this document by wire services or Internet service providers.

FLIR SYSTEMS, INC.
CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)(Unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2009	2008	2009	2008
	(As Adjusted) (1)		(As Adjusted) (1)	
Revenue	\$ 277,978	\$ 260,978	\$ 549,974	\$ 497,884
Cost of goods sold	116,030	114,364	230,311	220,475
Gross profit	161,948	146,614	319,663	277,409
Operating expenses:				
Research and development	23,232	23,547	45,641	46,657
Selling, general and administrative	54,055	58,394	105,995	110,973
Total operating expenses	77,287	81,941	151,636	157,630
Earnings from operations	84,661	64,673	168,027	119,779
Interest expense	1,727	3,634	4,505	7,427
Other expense (income), net	1,092	(3,637)	68	(3,655)
Earnings before income taxes	81,842	64,676	163,454	116,007
Income tax provision	26,189	20,059	53,529	34,870
Net earnings	\$ 55,653	\$ 44,617	\$ 109,925	\$ 81,137
Net earnings per share:				
Basic	\$ 0.37	\$ 0.32	\$ 0.75	\$ 0.59
Diluted	\$ 0.35	\$ 0.29	\$ 0.70	\$ 0.52
Weighted average shares outstanding:				
Basic	149,948	138,054	146,901	137,523
Diluted	161,354	162,344	162,041	161,899

(1) The Company has adjusted its financial statements for the retrospective application of the Financial Accounting Standards Board Staff Position APB 14-1, "Accounting for Convertible Debt Instruments That May be Settled in Cash upon Conversion (Including Partial Cash Settlement)."

FLIR SYSTEMS, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands)(Unaudited)

	June 30, 2009	December 31, 2008
ASSETS		(As Adjusted)(1)
Current assets:		
Cash and cash equivalents	\$ 346,402	\$ 289,442
Accounts receivable, net	214,594	239,183
Inventories	219,682	207,487
Prepaid expenses and other current assets	66,284	59,824
Deferred income taxes, net	16,652	16,566
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Total current assets	863,614	812,502
Property and equipment, net	137,984	122,304
Deferred income taxes, net	5,277	2,217
Goodwill	226,940	225,685
Intangible assets, net	50,838	56,174
Other assets	36,187	22,195
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	\$ 1,320,840	\$ 1,241,077
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LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 59,136	\$ 47,823
Deferred revenue	23,951	27,554
Accrued payroll and related liabilities	30,852	43,337
Accrued product warranties	8,095	7,826
Advance payments from customers	12,304	19,183
Accrued expenses	20,840	21,978
Other current liabilities	1,607	4,553
Current portion of long-term debt	21	21
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Total current liabilities	156,806	172,275
Long-term debt	88,886	182,825
Deferred income taxes	4,966	5,983
Accrued income taxes	6,183	5,697
Pension and other long-term liabilities	34,879	29,572
Commitments and contingencies		
Shareholders' equity	1,029,120	844,725
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	\$ 1,320,840	\$ 1,241,077
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Company Contact:

Tony Trunzo

+1 503.498.3547

www.flir.com

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