

May 1, 2009

FLIR Systems Announces First Quarter 2009 Financial Results

Revenue Up by 15%; Earnings per Share Up by 46%

PORTLAND, OR, May 01, 2009 (MARKET WIRE via COMTEX News Network) -- FLIR Systems, Inc. (NASDAQ: FLIR) today announced financial results for the first quarter ended March 31, 2009. Revenue was \$272.0 million, up 15% compared to first quarter 2008 revenue of \$236.9 million. Operating income in the quarter was \$83.4 million, up 51% from \$55.1 million in the first quarter of 2008. First quarter 2009 net income was \$54.3 million, or \$0.35 per diluted share, compared with net income of \$36.5 million, or \$0.24 per diluted share, in the first quarter a year ago. Cash provided by operations during the quarter was \$74.3 million.

Revenue from the Company's Government Systems division increased 43% over the first quarter of 2008, to \$162.2 million, driven by strength in airborne applications. Revenue from the Company's Commercial Vision Systems division increased 5% over the first quarter of last year, to \$45.9 million, reflecting growth in the security and surveillance and cores and components markets. Revenue from the Company's Thermography division decreased 20% from the first quarter of last year, to \$63.9 million, primarily due to changes in exchange rates and lower demand for high-value products for the predictive maintenance market in the U.S. Excluding the effect of exchange rates, Thermography revenue decreased 10% in the quarter. Thermography unit volumes increased by 44% in the first quarter of 2009 compared to the prior year.

The Company's backlog of firm orders for delivery within the next twelve months was approximately \$617 million at March 31, 2009, a decrease of \$46 million during the quarter, and an increase of \$146 million, or 31% compared with backlog at March 31, 2008. Backlog in the Government System's division was \$504 million, down \$48 million during the quarter. Backlog in the Commercial Vision Systems division was \$95 million, up \$4 million during the quarter, while backlog in the Thermography division was \$18 million, down \$1 million during the quarter.

"We are very pleased with our performance in the first quarter. We recorded solid revenue growth, excellent earnings growth, and the highest gross margin and operating margin in the Company's history," noted Earl Lewis, President and CEO. "We achieved this performance through solid execution in a difficult economy, as all three divisions improved gross margins and operating margins compared with the prior year. Economic conditions and government order activity in the second quarter will be important factors in our performance for the remainder of 2009 and into 2010. As a result, we are reaffirming our revenue and earnings per share outlook for the year."

Revenue and Earnings Outlook for 2009

Based on its financial results for the first quarter of 2009, and the outlook for the remainder of the year, management today is reaffirming 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 \$1.2 billion to \$1.25 billion, an increase of approximately 14% compared with 2008, and net earnings to be in the range of \$1.40 to \$1.47 per diluted share, an increase of approximately 12% compared with 2008.

Conference Call

FLIR has scheduled a conference call at 11:00 am EDT today. A simultaneous webcast will be available from the Investor Relations link at www.FLIR.com. A replay will be available after 3:00 PM EDT at this same internet address. For a telephone replay, dial (800) 642-1687, Conference ID #92732433 after 3:00 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
March 31,

	2009	2008
		(As Adjusted) (1)
Revenue	\$ 271,996	\$ 236,906
Cost of goods sold	114,281	106,111
Gross profit	157,715	130,795
Operating expenses:		
Research and development	22,409	23,110
Selling, general and administrative	51,940	52,579
Total operating expenses	74,349	75,689
Earnings from operations	83,366	55,106
Interest expense	2,778	3,793
Other income, net	(1,024)	(18)
Earnings before income taxes	81,612	51,331
Income tax provision	27,340	14,810
Net earnings	\$ 54,272	\$ 36,521
Net earnings per share:		
Basic	\$ 0.38	\$ 0.27
Diluted	\$ 0.35	\$ 0.24
Weighted average shares outstanding:		
Basic	143,819	136,992
Diluted	162,578	161,488

(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)

March 31, December 31,
2009 2008

ASSETS	(As Adjusted)(1)	
Current assets:		
Cash and cash equivalents	\$ 327,265	\$ 289,442
Accounts receivable, net	234,402	239,183
Inventories	210,524	207,487
Prepaid expenses and other current assets	55,094	59,824
Deferred income taxes, net	16,537	16,566
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Total current assets	843,822	812,502
Property and equipment, net	125,135	122,304
Deferred income taxes, net	3,861	2,217
Goodwill	221,398	225,685
Intangible assets, net	52,305	56,174
Other assets	22,277	22,195
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	\$ 1,268,798	\$ 1,241,077
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LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:		
Accounts payable	\$ 59,399	\$ 47,823
Deferred revenue	25,113	27,554
Accrued payroll and related liabilities	32,066	43,337
Accrued product warranties	7,925	7,826
Advance payments from customers	18,078	19,183
Accrued expenses	19,327	21,978
Other current liabilities	1,858	4,553
Accrued income taxes	10,874	--
Current portion of long-term debt	18	21
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Total current liabilities	174,658	172,275
Long-term debt	88,158	182,825
Deferred income taxes	5,158	5,983
Accrued income taxes	6,025	5,697
Pension and other long-term liabilities	30,357	29,572
Commitments and contingencies		
Shareholders' equity	964,442	844,725
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	\$ 1,268,798	\$ 1,241,077
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