



May 14, 2003

FLIR Awarded Contract for Combat Vehicle Mounted Thermal Imaging Systems; \$7.4 Million Swedish Defense Forces Contract is Company's First for Vehicle Sighting Application

PORTLAND, Ore.--(BUSINESS WIRE)--May 14, 2003--FLIR Systems, Inc. (NASDAQ: FLIR) announced today that it has received a contract valued at approximately \$7.4 million for the delivery of thermal imaging systems for use in the Swedish Defense Forces' CV90 Swedish Combat Vehicle. The state-of-the-art LIRC thermal imaging system will be integrated into the sighting system of the upgraded CV9040 C combat vehicle to provide improved image quality and increased identification ranges for vehicles used by the Swedish Defense Forces in international military operations.

"This first delivery contract for vehicle mounted thermal imagers for military customers is a breakthrough for FLIR's Sweden Imaging Division," said Earl R. Lewis, President and CEO of FLIR Systems. "We are delighted to win this order. Not only does it signify our entry into the large military vehicle sighting system business, it also demonstrates our continued success in bolstering our existing infrared business with longer-term military program contracts."

FLIR's order was received from Bofors Defense AB, the prime contractor that is also responsible for integration of the thermal imager into the CV90's sighting system. Deliveries will start late in 2004 and will be completed during 2005.

The LIRC employs advanced QWIP (Quantum-Well Infrared Photodetector) infrared technology developed by FLIR's Sweden Imaging Division, a high-resolution version of the QWIP detector that provides four times the resolution of most existing QWIP-based thermal imaging systems.

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.

Forward-Looking Statements

This release contains forward-looking statements, including the Company's expectations for deliveries under the LIRC contract and its expansion into the military vehicle sighting system market. These 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: the availability of funding under the contract, the continuing ability to penetrate new market applications with the Company's LIRC system, the federal funding levels of the Defense Department and the new Department of Homeland Security, the availability and timing of federal appropriated funds for procurement of thermal imaging systems, the Company's continuing eligibility to contract with the Federal Government, the Company's continued compliance with US export control laws, additional competition, the Company's ability to win larger delivery contracts, the impact of competitive products and pricing, constraints on supplies of critical components, excess or shortage of production capacity, actual purchases under purchase agreements including the delivery contract with Bofors Defense AB 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.

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