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FLIR Systems Chosen by Lockheed Martin to Provide Thermal Imaging Systems for U.S. Coast Guard's 'Deepwater Project'

PORTLAND, Ore., Jul 16, 2002 (BUSINESS WIRE) -- 40 Year, Multi-Billion Dollar Program Largest in Coast Guard History

FLIR Systems, Inc. (Nasdaq:FLIR) announced today that it has been tentatively selected by Lockheed Martin Corporation (NYSE:LMT) and Northrop Grumman Corp. (NYSE:NOC), working together as a joint venture called the Integrated Coast Guard Systems (ICGS) team, as a possible solution to provide thermal imaging systems as part of the U.S. Coast Guard's ambitious "Deepwater Project." The formal award of this program to the ICGS team was announced by the Department of Transportation on Tuesday, June 25, 2002, at a ceremony at the National Press Club in Washington, D.C.

The Deepwater Project is a 40 year, multi-billion dollar program to renovate, modernize and in some cases replace the U.S. Coast Guard's fleet of 93 ships and 206 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, including 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. FLIR's participation in the Deepwater Project is subject to the successful completion of contract negotiations with Lockheed Martin.

"The Deepwater Project is the most ambitious procurement program in Coast Guard history. It may become the largest program in FLIR Systems' history as well, upon the successful conclusion of contract negotiations to provide our thermal imaging systems. We are proud to have been invited to participate in this critical program to help upgrade the Coast Guard's mission capability. We also are proud to work with two of this country's leading defense-electronics companies, Lockheed Martin Corporation and Northrop Grumman Corp., 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.

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 news gathering, 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.

This release contains statements, including statements regarding FLIR's tentative selection to participate in the U.S. Coast Guard's Deepwater Project, 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 successfully negotiate a long term supply contract with Lockheed Martin Corporation and Northrop Grumman Corp., a lack of sufficient funds required under the contract for the procurement of such systems, changes in the Deepwater Project 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, 2001. 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.

CONTACT: FLIR Systems, Inc.
Dean Hutton or Paul Cameron, 503/684-3731
www.flir.com
or
Neil Berkman Associates
310/277-5162 (Investor Contact)
info@BerkmanAssociates.com

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