

February 10, 2012

FLIR Systems Announces Fourth Quarter and Full Year 2011 Financial Results

Fourth Quarter EPS From Continuing Operations Increases 14%; Announces 17% Increase in Dividend

PORTLAND, OR -- (MARKET WIRE) -- 02/10/12 -- *FLIR Systems, Inc.* (NASDAQ: FLIR) today announced financial results for the fourth quarter ended December 31, 2011. Revenue was \$405.2 million, down 7% compared to fourth quarter 2010 revenue of \$437.5 million. Operating income in the fourth quarter was \$109.7 million, up 9% compared to \$100.4 million in the fourth quarter of 2010. Fourth quarter 2011 earnings from continuing operations was \$76.8 million, or \$0.49 per diluted share, compared with earnings from continuing operations of \$70.1 million, or \$0.43 per diluted share in the fourth quarter a year ago. Cash provided by operations in the fourth quarter was \$116.2 million. During the quarter, the Company repurchased 1.4 million shares of its common stock at an average price of \$25.51 per share.

Revenue from the Company's Commercial Systems division increased 3% from the fourth quarter of 2010, to \$224.8 million. Within the Commercial Systems division, revenue from the Thermal Vision and Measurement segment was \$189.5 million, an increase of 7% over the fourth quarter combined results of Thermography and Commercial Vision Systems last year. Commercial Systems' Raymarine segment contributed \$35.3 million of revenue during the quarter, a decrease of 12% compared to the fourth quarter of 2010.

Revenue from the Company's Government Systems division decreased 18% from the fourth quarter of 2010, to \$180.4 million. Within the Government Systems division, revenue from the Surveillance segment was \$146.4 million, a decrease of 19% from the fourth quarter of 2010 results of the Company's legacy Government Systems business. Revenues from Government Systems' other two segments, Detection and Integrated Systems were \$23.6 and \$10.4 million, respectively.

For the full year, revenue was \$1,544.1 million, up 11% compared to \$1,388.4 million for the year ended December 31, 2010. Operating income for 2011 was \$313.2 million, down 13% from \$360.3 million in 2010. Net income from continuing operations for 2011 was \$222.7 million, or \$1.38 per diluted share, compared with 2010 net income from continuing operations of \$248.4 million, or \$1.54 per diluted share. Excluding the net after tax impact of litigation and severance costs, 2011 net income from continuing operations was \$254.4 million, or \$1.58 per diluted share. Cash provided by operations during the year was \$243.9 million.

The Company's backlog of firm orders for delivery within the next twelve months was approximately \$456 million at December 31, 2011, a decrease of \$90 million during the quarter. Backlog in the Government Systems division was \$314 million, decreasing \$60 million during the quarter. Backlog in the Commercial Systems division was \$142 million, down \$30 million during the quarter.

"The fourth quarter showcased our ability to adapt and persevere through a challenging macro environment. During the quarter, we expanded margins -- gross, operating, and net income -- to their highest levels in over a year and cash flow from operations reached its highest quarterly total ever," said Earl Lewis, President and CEO of FLIR. "Our focus on operational efficiency and innovation throughout 2011 enabled us to drive profitability and has positioned the company for success in the future."

Revenue and Earnings Outlook for 2012

FLIR also announced today that it expects revenue in 2012 to be in the range of \$1.55 billion to \$1.65 billion, an increase of approximately 0% to 7% compared to 2011, and net income to be in the range of \$1.60 to \$1.70 per diluted share, an increase of approximately 16% to 23% compared to 2011.

Dividend Increase and Declaration

FLIR's Board of Directors has approved a quarterly cash dividend of \$0.07 per share on FLIR common stock, an increase of 17% over the previous paid quarterly dividend of \$0.06 per share. The Board of Directors has declared the dividend payable March 9, 2012, to shareholders of record as of close of business on February 21, 2012.

Conference Call

FLIR has scheduled a conference call at 11:00 a.m. ET (8:00 a.m. PT) today to discuss its results for the quarter and year. A simultaneous webcast of the conference call may be accessed online from a link in the Upcoming Events section of www.FLIR.com/investor. A replay will be available after 2:00 p.m. ET (5:00 p.m. PT) at this same internet address. For a telephone replay, dial (855) 859-2056, Conference ID #45459716 after 2:00 p.m. ET. Summary fourth quarter and historical financial data, including segment details, may be accessed online from the Summary Financial Data section at

www.FLIR.com/investor.

About FLIR Systems

FLIR Systems, Inc. is a world leader in the design, manufacture, and marketing of sensor systems that enhance perception and awareness. The Company's advanced thermal imaging and threat detection systems are used for a wide variety of imaging, thermography, and security applications, including airborne and ground-based surveillance, condition monitoring, research and development, manufacturing process control, search and rescue, drug interdiction, navigation, transportation safety, border and maritime patrol, environmental monitoring, and chemical, biological, radiological, nuclear, and explosives (CBRNE) detection. Visit the Company's web site at www.FLIR.com.

Forward-Looking Statements

The statements in this release by Earl Lewis and the statements in the section captioned "Revenue and Earnings Outlook for 2012" 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 U.S. 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		Twelve Months Ended	
	December 31,		December 31,	
	2011	2010(1)	2011	2010(1)
Revenue	\$ 405,212	\$ 437,509	\$1,544,062	\$1,388,437
Cost of goods sold	180,427	204,653	715,458	624,796
Gross profit	224,785	232,856	828,604	763,641

Operating expenses:

Research and development	34,920	35,003	147,177	116,635
Selling, general and administrative	80,197	97,486	368,232	286,695
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Total operating expenses	115,117	132,489	515,409	403,330
Earnings from operations	109,668	100,367	313,195	360,311
Interest expense	3,175	412	5,487	2,884
Interest income	(768)	(359)	(1,273)	(1,258)
Other income, net	(892)	(1,596)	(2,098)	(4,015)
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Earnings from continuing operations before income taxes	108,153	101,910	311,079	362,700
Income tax provision	31,318	31,840	88,427	114,326
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Earnings from continuing operations	76,835	70,070	222,652	248,374
Loss from discontinued operations, net of tax	(705)	(248)	(1,178)	(248)
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Net earnings	\$ 76,130	\$ 69,822	\$ 221,474	\$ 248,126
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Basic earnings per share:

Earnings from continuing

operations	\$ 0.49	\$ 0.44	\$ 1.41	\$ 1.59
Discontinued operations	(0.00)	(0.00)	(0.01)	(0.00)
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Basic earnings per share	\$ 0.49	\$ 0.44	\$ 1.40	\$ 1.59
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Diluted earnings per share:

Earnings from continuing

operations	\$ 0.49	\$ 0.43	\$ 1.38	\$ 1.54
Discontinued operations	(0.00)	(0.00)	\$ (0.01)	(0.00)
	-----	-----	-----	-----
Diluted earnings per share	\$ 0.48	\$ 0.43	\$ 1.38	\$ 1.54
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Weighted average shares

outstanding:

Basic	155,647	158,867	158,323	156,141
	=====	=====	=====	=====
Diluted	157,611	161,510	160,851	161,630
	=====	=====	=====	=====

(1) Amounts have been adjusted for the reclassification of certain discontinued operations to continued operations.

CONSOLIDATED BALANCE SHEETS

(In thousands)(Unaudited)

	December 31,	December 31,
	2011	2010
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ASSETS		
Current assets:		
Cash and cash equivalents	\$ 440,846	\$ 193,137
Accounts receivable, net	325,370	339,723
Inventories	336,051	303,156
Prepaid expenses and other current assets	104,285	95,663
Deferred income taxes, net	27,304	23,128
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Total current assets	1,233,856	954,807
Property and equipment, net	186,269	189,119
Deferred income taxes, net	31,078	22,742
Goodwill	498,343	482,019
Intangible assets, net	164,440	177,385
Other assets	32,338	31,280
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	\$ 2,146,324	\$ 1,857,352
	=====	=====

LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$ 84,190	\$ 85,881
Deferred revenue	24,046	17,867

Accrued payroll and related liabilities	49,475	54,894
Accrued product warranties	13,370	15,711
Advance payments from customers	13,219	22,616
Accrued expenses	41,183	36,578
Other current liabilities	3,886	8,186
Accrued income taxes	2,161	8,218
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Total current liabilities	231,530	249,951
Long-term debt	247,861	-
Deferred income taxes	16,532	13,163
Accrued income taxes	17,537	19,793
Pension and other long-term liabilities	53,835	51,897
Commitments and contingencies		
Shareholders' equity	1,579,029	1,522,548
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	\$ 2,146,324	\$ 1,857,352
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FLIR SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(In thousands) (Unaudited)

Three Months Ended	Twelve Months Ended
December 31,	December 31,
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	2011	2010	2011	2010
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Cash Provided By Operating				
Activities:				
Net earnings	\$ 76,130	\$ 69,822	\$ 221,474	\$ 248,126
Income items not affecting cash:				
Depreciation and amortization	16,290	21,831	77,498	61,297
Deferred income taxes	(10,291)	(5,702)	(12,195)	(14,099)
Stock-based compensation				
arrangements	5,604	6,565	24,917	25,575
Other non-cash items	9,647	9,518	12,654	10,320
Changes in operating assets				
and liabilities, net of				
acquisitions	18,816	(56,728)	(80,457)	(75,968)
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Cash provided by operating				
activities	116,196	45,306	243,891	255,251
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Cash Used By Investing				
Activities:				
Additions to property and				
equipment, net	(10,850)	(14,748)	(41,946)	(65,748)
Business acquisitions, net of				
cash acquired	-	(228,026)	(27,182)	(402,721)
Other investments	1,991	-	1,991	3,080
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Cash used by investing				
activities	(8,859)	(242,774)	(67,137)	(465,389)
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Cash (Used) Provided by

Financing Activities:

Proceeds from long term debt, net	-	-	247,708	-
Repurchase of common stock	(36,286)	-	(160,669)	(35,725)
Dividends paid	(9,350)	-	(38,037)	-
Proceeds from shares issued pursuant to stock-based compensation plans	6,620	9,485	21,706	21,469
Excess tax benefit of stock options exercised	727	2,057	5,195	7,649
Other financing activities	(140)	103	(458)	120
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Cash (used) provided by financing activities	(38,429)	11,645	75,445	(6,487)
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Effect of exchange rate changes on cash	(2,561)	(943)	(4,490)	(12,285)
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Net increase (decrease) in cash and cash equivalents	66,347	(186,766)	247,709	(228,910)
Cash and cash equivalents, beginning of year	374,499	379,903	193,137	422,047
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Cash and cash equivalents, end of year	\$ 440,846	\$ 193,137	\$ 440,846	\$ 193,137
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