

February 11, 2010

FLIR Systems Reports Fourth Quarter and Full Year 2009 Financial Results

PORTLAND, OR, Feb 11, 2010 (MARKETWIRE via COMTEX News Network) -- FLIR Systems, Inc. (NASDAQ: FLIR) today announced financial results for the fourth quarter ended December 31, 2009. Revenue was \$311.6 million, up 3% compared to fourth quarter 2008 revenue of \$302.3 million. Excluding the effects of currency translation, revenue for the quarter increased by 1%. Operating income for the quarter was \$89.9 million, up 2% from \$88.1 million in the fourth quarter of 2008. Net income for the quarter was \$60.3 million, or \$0.38 per diluted share, compared with net income of \$65.0 million, or \$0.41 per diluted share, in the fourth quarter a year ago. Fourth quarter 2008 earnings per share benefited from other income arising from currency gains of approximately \$0.04. Cash provided by operations during the quarter was \$72.3 million.

Revenue from the Company's Government Systems division decreased 1% from the fourth quarter of 2008, to \$169.7 million. Revenue from the Company's Commercial Vision Systems division increased 34% over the fourth quarter of last year, to \$57.0 million, reflecting strong growth across multiple product lines. Revenue from the Company's Thermography division decreased 4% from the fourth quarter of last year, to \$84.8 million.

Revenue for the year ended December 31, 2009 was \$ 1,147.1 million, up 7% compared to \$1,077.0 million for the year ended December 31, 2008. Operating income for 2009 was \$347.3 million, up 22% from \$284.5 million during 2008. Net income for 2009 was \$230.2 million, or \$1.45 per diluted share, compared with 2008 net income of \$200.9 million, or \$1.28 per diluted share. Cash provided by operations during the year was \$271.8 million.

The backlog of firm orders for delivery within the next twelve months was approximately \$563 million at December 31, 2009, a decrease of \$45 million during the quarter, and a decrease of \$100 million, or 15% compared with backlog at December 31, 2008. Backlog in the Government System's division was \$433 million, down \$54 million during the quarter, as U.S. procurement activity slowed due partly to late approval of government budgets. Backlog in the Commercial Vision Systems division was \$103 million, up \$10 million during the quarter due primarily to strong demand for its cores and components and security and surveillance product lines. Backlog in the Thermography division was \$27 million, down \$1 million during the quarter.

Revenue and Earnings Outlook for 2010

FLIR also announced today that it expects net revenue in fiscal 2010 to be in the range of \$1.2 billion to \$1.3 billion, an increase of approximately 9% compared with 2009, and net earnings to be in the range of \$1.48 to \$1.53 per diluted share, an increase of approximately 4% compared with 2009.

Management Changes

FLIR announced today that Stephen M. Bailey, Senior Vice President and Chief Financial Officer, intends to retire at the end of May, 2010. Mr. Bailey has served in his present position since 2000, and effective June 1, 2010, will be succeeded by Anthony L. Trunzo, who has served as the Company's Senior Vice President for Corporate Strategy and Development since 2003.

"We are pleased with our financial performance in 2009, as we recorded our ninth straight year of record revenue, operating income and earnings per share, and achieved the highest operating income margin and cash flow from operations in the Company's history," stated Earl Lewis, President and CEO of FLIR. "We are well positioned for long-term growth as we continue to execute on our strategy to drive down the cost of infrared technology. Our 2010 outlook anticipates solid growth from the newly formed Commercial Systems and slower growth in Government Systems as a result of the anticipated decrease in deliveries under BETTS-C and related programs. We remain optimistic that our commercially developed, military qualified model will drive growth in Government Systems in the years to come. I'd also like to thank Steve Bailey for his decade of contributions to FLIR. The transition from Steve to Tony has been well planned and I am confident it will go smoothly."

Conference Call

FLIR has scheduled a conference call at 11:00 am EST today. A simultaneous webcast will be available from the Investor Relations link at www.FLIR.com. A replay will be available after 2:00 PM EST at this same internet address. For a telephone replay, dial (800) 642-1687, Conference ID #47456392 after 2:00 PM EST.

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 2010" above are forward-looking statements. 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, constraints on supplies of critical components, excess or shortage of production capacity, 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.

FLIR SYSTEMS, INC.				
CONSOLIDATED STATEMENTS OF INCOME				
(In thousands, except per share amounts)(Unaudited)				
	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2009	2008	2009	2008
		(As Adjusted(1))		(As Adjusted(1))
Revenue	\$ 311,560	\$ 302,350	\$ 1,147,087	\$ 1,076,974
Cost of goods sold	135,511	128,879	488,558	470,832
Gross profit	176,049	173,471	658,529	606,142
Operating expenses:				
Research and development	24,366	21,668	91,301	89,964
Selling, general and administrative	61,742	63,741	219,941	231,687
Total operating expenses	86,108	85,409	311,242	321,651
Earnings from operations	89,941	88,062	347,287	284,491
Interest expense	1,139	3,436	6,882	14,336
Other (income) expense, net	(1,720)	(11,552)	12	(20,163)
Earnings before income taxes	90,522	96,178	340,393	290,318
Income tax provision	30,269	31,194	110,180	89,418
Net earnings	\$ 60,253	\$ 64,984	\$ 230,213	\$ 200,900
Net earnings per share:				
Basic	\$ 0.40	\$ 0.47	\$ 1.54	\$ 1.45
Diluted	\$ 0.38	\$ 0.41	\$ 1.45	\$ 1.28
Weighted average shares				

outstanding:

Basic	152,163	139,679	149,405	138,490
	=====	=====	=====	=====
Diluted	161,241	162,728	161,569	162,901
	=====	=====	=====	=====

(1) The Company has adjusted its financial statements for the retrospective application of the Financial Accounting Standards Board Accounting Standards Codification Subtopic 470-20, "Debt with Conversion and Other Options."

FLIR SYSTEMS, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands)(Unaudited)

	December 31, 2009	December 31, 2008
	-----	-----
ASSETS		(As Adjusted(1))
Current assets:		
Cash and cash equivalents	\$ 422,047	\$ 289,442
Accounts receivable, net	234,974	239,183
Inventories	216,500	207,487
Prepaid expenses and other current assets	83,981	59,824
Deferred income taxes, net	13,231	16,566
	-----	-----
Total current assets	970,733	812,502
Property and equipment, net	139,112	122,304
Deferred income taxes, net	5,322	2,217
Goodwill	262,331	225,685
Intangible assets, net	59,180	56,174
Other assets	48,571	22,195
	-----	-----
	\$ 1,485,249	\$ 1,241,077
	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 53,319	\$ 47,823
Deferred revenue	21,757	27,554
Accrued payroll and related liabilities	39,809	43,337
Accrued product warranties	8,667	7,826
Advance payments from customers	8,616	19,183
Accrued expenses	25,941	21,978
Other current liabilities	3,978	4,574
Accrued income taxes	15,504	--
	-----	-----
Total current liabilities	177,591	172,275
Long-term debt	58,022	182,825
Deferred income taxes	2,222	5,983
Accrued income taxes	4,590	5,697
Pension and other long-term liabilities	39,075	29,572
Commitments and contingencies		
Shareholders' equity	1,203,749	844,725
	-----	-----
	\$ 1,485,249	\$ 1,241,077
	=====	=====

(1) The Company has adjusted its financial statements for the retrospective application of the Financial Accounting Standards Board Accounting Standards Codification Subtopic 470-20, "Debt with Conversion and Other Options."

Company Contact:
Tony Trunzo
+1 503.498.3547

www.flir.com

SOURCE: FLIR Systems, Inc.

<http://www.flir.com>

Copyright 2010 Marketwire, Inc., All rights reserved.

News Provided by COMTEX