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FLIR Systems Announces Settlement with Securities and Exchange Commission; Company Will Pay No Fine or Penalty

PORTLAND, Ore., Sep 30, 2002 (BUSINESS WIRE) -- FLIR Systems, Inc. (Nasdaq: FLIR) announced today that it has entered into a cease and desist order with the Securities and Exchange Commission ("SEC") that completes an investigation into the company regarding certain financial reporting and accounting practices in 1998 and 1999 that occurred under the Company's former CEO. FLIR will pay no fine under the settlement, under which the Company neither admitted nor denied any of the findings of the SEC's order. FLIR said the accounting issues identified in the order were addressed in the previous restatements of the company's financial statements for 1998 and 1999 and that no further restatements are necessary.

"We are pleased to have this issue resolved and finally behind us," said Earl Lewis, FLIR President and Chief Executive Officer. "FLIR is a much stronger company today than it was four years ago. FLIR has a new CEO, a new CFO, additional new senior managers, a stronger and more experienced accounting department, a reconfigured corporate organization committed to best business practices, and new independent auditors. FLIR's business is healthy and revenue and earnings are growing. Everyone at FLIR has worked exceptionally hard to turn this company around and we are very proud of what we have accomplished. We are excited about the future, and we appreciate the professional manner in which the SEC staff handled this investigation," Lewis concluded.

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.

Forward-Looking Statements

The statements in this release by Earl R. Lewis 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, 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 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.

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