

May 16, 2003

## **FLIR Awarded \$40 Million Contract for U.S. Army Special Operations Aircraft; Contract Is Largest US Army Award In Company's History**

PORTLAND, Ore.--(BUSINESS WIRE)--May 16, 2003--FLIR Systems, Inc. (Nasdaq:FLIR) announced today that it has been awarded an indefinite delivery/indefinite quantity development contract from the US Special Operations Command, valued at approximately \$40 million, for the delivery of up to 75 lightweight airborne multi-sensor thermal imaging systems for use on US Army Special Operations A/MH-6 "Little Bird" helicopters. The contract award is in support of the US Special Operations Command, Technology Applications Contracting Office.

"This contract award is significant not only because of its size, but also because it further validates our business strategy to leverage our leading technology and strong financial condition to pursue larger, longer-term program business for our Imaging Division products. We are pleased to have this opportunity to develop the next generation of thermal imaging technology for the US Special Forces," said Earl R. Lewis, President and CEO of FLIR Systems.

The compact multi-sensor airborne thermal imaging system, measuring only 9" in diameter, will also contain an image-intensified CCD-TV camera and a laser range finder. The system will feature new advancements in technology including image sensor fusion. The product will be the smallest and lightest of its kind, allowing for extended missions and enhanced range performance. "The development of this product will further solidify FLIR's position as the premier supplier of compact multi-sensor airborne imaging systems," Lewis said.

The contract term runs from award date through September 30, 2009. Development will begin immediately, with deliveries beginning in early 2004. Future deliveries under the contract are subject to funding availability.

### 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](http://www.FLIR.com).

### Forward-Looking Statements

This release contains forward-looking statements, including the Company's expectations for deliveries under the indefinite delivery/indefinite quantity contract and its expansion into larger, longer-term program business for its Imaging Division products. 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 Imaging Division products, the federal funding levels of the Defense Department, 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 the US Special Operations Command 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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