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December 8, 2004

FLIR Awarded Department of Defense Contract; FLIR to Provide Next-Generation Marinized Electro-Optical System Based upon the MarFLIR/SeaFLIR Product Line

PORTLAND, Ore.--(BUSINESS WIRE)--Dec. 8, 2004--FLIR Systems, Inc. (Nasdaq:FLIR) announced today that it has been awarded an indefinite delivery/indefinite quantity contract from the U.S. Government for an advanced version of its 9 inch stabilized electro-optical surveillance system. The contract has a maximum value of \$75 million for the delivery of up to 200 systems over a five year period. The contract was competitively awarded and resulted in an initial delivery order of \$328,893 for the first production representative sample and training. Subsequent orders will be based upon evaluation of the sample unit, future funding availability, and the results of competitive trials.

"We are proud to have again been selected by the Department of Defense to provide state-of-the-art thermal imaging technology to support our forces and their mission. This contract award is further validation of our business strategy to leverage our leading technology and strong financial condition to pursue larger, longer-term program business for our Imaging Division products and we are pleased to have this opportunity to provide the next generation of thermal imaging technology for the men and women of our armed forces," said Earl R. Lewis, President and CEO of FLIR Systems.

Initial deliveries on the contract will take place in the first quarter of 2005. All work will be performed at FLIR's facility in N. Billerica, Massachusetts.

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.

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, 2003. 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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SOURCE: FLIR Systems, Inc.