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FLIR Systems Announces Orders Totaling \$7.4 Million from Northrop Grumman; Infrared Camera Cores to Be Used in Litening AT Targeting Pod

PORTLAND, Ore.--(BUSINESS WIRE)--July 15, 2004--FLIR Systems, Inc. (Nasdaq:FLIR) announced today that it has received a series of orders totaling \$7.4M for delivery of infrared imaging cameras for use in Northrop Grumman Corporation's (NYSE:NOC) Litening® AT Targeting Pod. The targeting pods are being deployed on United States Air Force B-52 aircraft and certain Air National Guard F-16s. Shipments under these orders have begun and will continue into early 2005.

This version of the Litening® infrared imaging camera was developed in 2001, enabling Northrop Grumman to deploy the first targeting pod with an advanced Third Generation infrared detector. The Litening® pod is currently in operational status on six aircraft within the US armed forces and its allies.

"These orders illustrate the value of our 'Core by Indigo' strategy of manufacturing dual-use components for consumption by FLIR and others in both the commercial and military marketplaces," commented Earl R. Lewis, Chairman, President and CEO of FLIR Systems, Inc.

Litening® is a registered trade mark of Rafael Armament Division in Haifa, Israel who is partnered with Northrop Grumman Corporation.

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 FLIR's Web site at www.FLIR.com.

Forward-Looking Statements

This release contains forward-looking statements, including the Company's expectations for deliveries under the purchase contracts announced herein. 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 and actual deliveries under the contracts, the continuing ability to penetrate new market applications with the Indigo infrared cameras and Imaging Division products generally, 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 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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