

April 29, 2011

FLIR Systems Announces First Quarter 2011 Financial Results

Revenue Up by 30%; Narrowing EPS Outlook for 2011

PORTLAND, OR -- (MARKET WIRE) -- 04/29/11 -- FLIR Systems, Inc. (NASDAQ: FLIR) today announced financial results for the first quarter ended March 31, 2011. Revenue was \$373.5 million, up 30% compared to first quarter 2010 revenue of \$287.3 million. Operating income in the first quarter was \$76.6 million, compared to \$84.3 million in the first quarter of 2010, and was impacted by a lack of RAID shipments as well as acquisition-related charges. First quarter 2011 net income was \$51.3 million, or \$0.32 per diluted share, compared with net income of \$55.9 million, or \$0.35 per diluted share in the first quarter a year ago. Cash provided by operations in the first quarter was \$62.4 million.

Revenue from the Company's Commercial Systems division increased 51% from the first quarter of 2010, to \$194.6 million. Within the Commercial Systems division, revenue from the Thermal Vision and Measurement segment, made up of FLIR's former Thermography and Commercial Vision Systems ("CVS") businesses, was \$144.1 million, an increase of 12% over the first quarter combined results of Thermography and CVS last year. Commercial Systems' Raymarine segment contributed \$50.5 million of revenue during the quarter.

Revenue from the Company's Government Systems division increased 13% over the first quarter of 2010, to \$178.8 million. Within the Government Systems division, revenue from the Surveillance segment, comprised of the legacy Government Systems business and the imaging and radars businesses acquired with the fourth quarter 2010 acquisition of ICx Technologies, Inc., was \$149.9 million, a decrease of 5% from the first quarter of 2010 results of the Company's legacy Government Systems business. Revenues from Government Systems' other two new segments, Detection and Integrated Systems, which were created following the acquisition of ICx, were \$17.9 and \$11.1 million, respectively.

The Company's backlog of firm orders for delivery within the next twelve months was approximately \$528 million at March 31, 2011, a decrease of \$6 million during the quarter. Backlog in the Government Systems division was \$360 million, decreasing \$27 million during the quarter despite significant international order activity. Backlog in the Commercial Systems division was \$168 million, up \$21 million during the quarter, a result of successful new product introductions.

"This quarter showcased the diversified nature of the business and the resiliency of our company. We released innovative products during the quarter that resulted in order volumes that outstripped our production forecasts. As anticipated, our Government Systems division was impacted by slowed U.S. procurement, but executed well and worked diligently to position the businesses for continued growth. Overall, we performed as we had expected during the quarter, had excellent cash flow, and believe the balance of the year will show improved results," noted Earl Lewis, President and CEO of FLIR.

Revenue and Earnings Outlook for 2011

Based on financial results for the first three months of 2011 and the outlook for the remainder of the year, FLIR management is increasing its outlook for revenue and narrowing its outlook for earnings per share for the full year 2011. Management currently expects revenue for 2011 to be in the range of \$1.7 billion to \$1.75 billion and net earnings to be in the range of \$1.70 to \$1.75 per diluted share.

Dividend Declaration

FLIR's Board of Directors has declared a quarterly cash dividend of \$0.06 per share on FLIR common stock, payable June 10, 2011, to shareholders of record as of close of business on May 20, 2011.

Conference Call

FLIR has scheduled a conference call at 11:00 AM ET 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 ET at this same internet address. For a telephone replay, dial (800) 642-1687, Conference ID #56026734 after 2:00 PM ET.

About FLIR Systems

FLIR Systems, Inc. is a world leader in the design, manufacture, and marketing of sensor systems that enhance perception and

awareness. The Company's advanced thermal imaging and threat detection systems are used for a wide variety of imaging, thermography, and security applications, including airborne and ground-based surveillance, condition monitoring, research and development, manufacturing process control, search and rescue, drug interdiction, navigation, transportation safety, border and maritime patrol, environmental monitoring, and chemical, biological, radiological, nuclear, and explosives (CBRNE) detection. 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 2011" above are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. 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 U.S. export control laws and regulations, the timely receipt of any required export licenses, constraints on supplies of critical components, excess or shortage of production capacity, the ability to manufacture and ship the products in the time period required, 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, or for changes made to this document by wire services or Internet service providers.

FLIR SYSTEMS, INC.

CONSOLIDATED STATEMENTS OF INCOME

(In thousands, except per share amounts)(Unaudited)

	Three Months	
	Ended March 31,	
	2011	2010
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Revenue	\$ 373,465	\$ 287,298
Cost of goods sold	177,820	121,944
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Gross profit	195,645	165,354

Operating expenses:

Research and development	37,260	24,803
Selling, general and administrative	81,739	56,208
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Total operating expenses	118,999	81,011
Earnings from operations	76,646	84,343
Interest expense	350	1,224
Interest income	(262)	(254)
Other expense (income), net	845	(53)
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Earnings from continuing operations before income taxes		
	75,713	83,426
Income tax provision	23,849	27,531
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Earnings from continuing operations	51,864	55,895
Loss from discontinued operations, net of tax	(549)	--
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Net earnings	\$ 51,315	\$ 55,895
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Basic earnings per share:

Earnings from continuing operations	\$ 0.33	\$ 0.37
Discontinued operations	(0.00)	--

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Basic earnings per share	\$ 0.32	\$ 0.37
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Diluted earnings per share:		
Earnings from continuing operations	\$ 0.32	\$ 0.35
Discontinued operations	(0.00)	--
	-----	-----
Diluted earnings per share	\$ 0.32	\$ 0.35
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Weighted average shares outstanding:		
Basic	159,400	152,899
	=====	=====
Diluted	162,310	161,604
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FLIR SYSTEMS, INC.

CONSOLIDATED BALANCE SHEETS

(In thousands)(Unaudited)

March 31, December 31,

2011

2010

ASSETS

Current assets:

Cash and cash equivalents	\$	250,229	\$	193,137
Accounts receivable, net		321,769		339,723
Inventories		321,072		303,156
Prepaid expenses and other current assets		106,006		95,663
Deferred income taxes, net		23,364		23,128

Total current assets		1,022,440		954,807
Property and equipment, net		185,063		189,119
Deferred income taxes, net		22,746		22,742
Goodwill		492,431		482,019
Intangible assets, net		178,760		177,385
Other assets		32,519		31,280

		\$ 1,933,959		\$ 1,857,352
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LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$	85,352	\$	85,881
Deferred revenue		19,790		17,867
Accrued payroll and related liabilities		46,126		54,894
Accrued product warranties		15,888		15,711
Advance payments from customers		21,700		22,616
Accrued expenses		32,325		36,578
Accrued income taxes		12,683		8,218

Other current liabilities	4,632	8,186
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Total current liabilities	238,496	249,951
Deferred income taxes	13,787	13,163
Accrued income taxes	22,197	19,793
Pension and other long-term liabilities	56,763	51,897
Commitments and contingencies		
Shareholders' equity	1,602,716	1,522,548
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	\$ 1,933,959	\$ 1,857,352
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Source: FLIR Systems, Inc.

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