



April 24, 2002

FLIR Systems Announces First Quarter 2002 Financial Results; Company Increases Earnings Guidance for 2002

PORTLAND, Ore., Apr 24, 2002 (BUSINESS WIRE) -- FLIR Systems, Inc. (NASDAQ:FLIR) announced today that net earnings for the first quarter ended March 31, 2002 increased 124% to \$8.7 million, or \$0.49 per diluted share. This compares to net earnings of \$3.9 million, or \$0.27 per diluted share, for the first quarter of 2001. Revenue increased 15% to \$58.1 million from the \$50.5 million recorded for the same period last year.

"The first quarter is typically one of the seasonally weaker quarters of the year in our industry, therefore FLIR's performance for the period is especially gratifying and confirms our outlook for 2002 as a whole," said President and CEO Earl R. Lewis

Lewis said that the increase in revenue for the first quarter of 2002 primarily reflected higher sales of FLIR's ground-based imaging systems. Gross margins were 54%, unchanged from the same period last year. Earnings from operations increased by 33% to \$10.4 million, or 17.9% of revenue, for the 2002 first quarter compared to \$7.8 million, or 15.5% of revenue, for the first quarter of 2001. Cash from operations totaled \$13.7 million for the first quarter of 2002 as compared to \$8.7 million for the first quarter of 2001.

Interest expense declined to \$0.3 million for the 2002 first quarter as compared to \$3.5 million for the first quarter of 2001, reflecting the reduction of the Company's debt. During this year's first quarter, FLIR repaid all amounts outstanding under its December 16, 1999 Credit Agreement and entered into a new credit agreement.

The backlog of firm orders at March 31, 2002 increased to \$85 million from \$82 million at December 31, 2001.

Earnings Guidance for 2002

The following statements are based on current expectations. These statements are forward-looking, and actual results may differ materially.

As previously announced, the Company continues to estimate revenue for 2002 in the range of \$250 to \$260 million. Based on first quarter 2002 results and its outlook for the remainder of the year, the Company has increased its guidance for net earnings for the year to be in the range of approximately \$2.20 to \$2.25 per diluted share, based on an estimated effective tax rate of 15%. Previously, the Company had estimated net earnings for 2002 to be in the range of \$2.10 to \$2.15 per diluted share.

Forward-Looking Statements

The statements in this release by Earl R. Lewis and the statements in the Earnings Guidance for 2002 paragraph 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, 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.

Conference Call

FLIR has scheduled a conference call at 11:00 am EDT today. A simultaneous WebCast of the conference call may be accessed online at www.CompanyBoardroom.com or www.FLIR.com. A replay will be available approximately one hour after the WebCast at these same Internet addresses. For a telephone replay, dial (800) 633-8284, reservation #20521857 beginning at approximately 1:00 PM EDT.

About FLIR Systems

FLIR Systems, Inc. is a world leader in the design, manufacture and marketing of thermal imaging and stabilized camera systems for a wide variety of thermography and imaging applications including condition monitoring, research and development, manufacturing process control, airborne observation and broadcast, search and rescue, drug interdiction, surveillance and reconnaissance, navigation safety, border and maritime patrol, environmental monitoring and ground-based security. Visit the company's Web site at www.FLIR.com

FLIR SYSTEMS, INC.
 CONSOLIDATED STATEMENTS OF OPERATIONS
 (In thousands, except per share amounts)
 (Unaudited)

	Three Months Ended	
	March 31,	
	2002	2001
Revenue	\$ 58,098	\$ 50,472
Cost of goods sold	26,799	23,181
Gross profit	31,299	27,291
Operating expenses:		
Research and development	7,089	6,105
Selling, general and administrative	13,819	13,362
Total operating expenses	20,908	19,467
Earnings from operations	10,391	7,824
Interest expense	318	3,454
Other income, net	(124)	(188)
Earnings before income taxes	10,197	4,558
Income tax provision	1,529	684
Net earnings	\$ 8,668	\$ 3,874
Net earnings per share:		
Basic	\$ 0.52	\$ 0.27
Diluted	\$ 0.49	\$ 0.27
Weighted average shares outstanding:		
Basic	16,650	14,561
Diluted	17,797	14,604

FLIR SYSTEMS, INC.
 CONSOLIDATED BALANCE SHEETS
 (In thousands, except par value)

	March 31,	Dec. 31,
	2002	2001
ASSETS (Unaudited)		
Current assets:		
Cash and cash equivalents	\$ 8,271	\$ 15,514
Accounts receivable, net	50,894	57,965
Inventories	52,368	46,560
Prepaid expenses and other current assets	12,605	11,548
Deferred income taxes	8,834	8,834
Total current assets	132,972	140,421
Property and equipment, net	12,530	10,806
Deferred income taxes, net	15,087	15,087
Intangible assets, net	16,731	16,811
Other assets	2,783	1,913

	\$180,103	\$185,038
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities:		
Notes payable	\$ 3,748	\$ 23,370
Accounts payable	21,995	18,428
Deferred revenue	5,017	5,314
Accrued payroll and other liabilities	22,765	22,538
Accrued income taxes	1,812	747
Current portion of capital lease obligations	397	584
Total current liabilities	55,714	70,981
Pension and other long-term liabilities	8,960	9,209
Commitments and contingencies		
Shareholders' equity:		
Preferred stock, \$0.01 par value, 10,000 shares authorized; no shares issued at March 31, 2002, and December 31, 2001	--	--
Common stock, \$0.01 par value, 30,000 shares authorized; 16,720 and 16,555 shares issued at March 31, 2002, and December 31, 2001, respectively	166	165
Additional paid-in capital	196,158	194,338
Accumulated deficit	(76,196)	(84,864)
Accumulated other comprehensive loss	(4,699)	(4,791)
Total shareholders' equity	115,429	104,848
	\$180,103	\$185,038

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