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FLIR Systems Awarded Contract to Provide Thermal Imaging Systems for Royal Danish and Portuguese Air Forces; Contract Valued at more than \$10 million

PORTLAND, Ore., Oct 2, 2002 (BUSINESS WIRE) -- FLIR Systems, Inc. (NASDAQ: FLIR) announced today that it has been awarded a contract from Agusta SpA valued at more than \$10 million to supply its Star SAFIRE IITM multi-sensor airborne thermal imaging system to the Royal Danish Air Force (RDAF) and the Portuguese Air Force (PAF) for their fleet of EH101 helicopters.

The contract is for 20 systems to be delivered over a two-year period beginning February 2003, to coincide with simultaneous production of EH101 helicopters at Agusta's facilities in Italy and Westland, England. The contract also includes an option for delivery of additional systems over the next few years.

Both the RDAF and PAF will use the Star SAFIRE II for Search and Rescue missions. Additionally, the PAF will leverage the system to protect fishing territory, while the RDAF expects to use it in tactical troop transportation. Delivery of these systems builds on the established relationship between FLIR Systems and both the PAF and RDAF, the latter having been a user of FLIR's SAFIRE airborne thermal imaging system since its introduction in the early 1990's.

Particular to the contract is the attention given to the placement and design of system controls to accommodate the stringent operational requirements of the RDAF and PAF, as well as the overall design philosophy of the EH101 ergonomics. The Star SAFIRE II controls will be integrated into Agusta's custom operator's console on the EH101, allowing ease of control for the rear cabin operator. Selected aircraft will be equipped with multi-station controls. FLIR Systems will supply specially designed, ergonomic hand-controllers to be embedded into the operator's console and cockpit to facilitate exchange between crew members.

"This contract further solidifies our relationships with both an important European OEM in Agusta Westland Helicopters and with our existing military users in Denmark and Portugal," commented Earl Lewis, FLIR Systems President and Chief Executive Officer. "The continued support from the Royal Danish Air Force, who not only participated in the original SAFIRE design but was also one of its first users, establishes FLIR Systems as the international leader in COTS thermal imaging systems," he concluded.

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 news gathering 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.

This release contains statements that are forward-looking statements, which 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: an inability of the Company to deliver under the contract with Agusta, a lack of sufficient funds required under the contract for the procurement of such systems, changes in the program generally, 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 generally both within Europe and the US 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.

CONTACT:
FLIR Systems, Inc.
Andy Teich, 503/684-3731
www.flir.com

or

Neil Berkman Associates (Investor Contact)
310/277-5162
info@BerkmanAssociates.com

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