

February 9, 2011

FLIR Systems Reports Fourth Quarter and Full Year 2010 Financial Results

Revenue Up by 39%; Issues Revenue and EPS Outlook for 2011

PORTLAND, OR -- (MARKET WIRE) -- 02/09/11 -- FLIR Systems, Inc. (NASDAQ: FLIR) today announced financial results for the fourth quarter ended December 31, 2010. Revenue was \$434.4 million, up 39% compared to fourth quarter 2009 revenue of \$311.6 million. Operating income in the fourth quarter was \$100.6 million, up 12% from \$89.9 million in the fourth quarter of 2009. Fourth quarter 2010 net income from continuing operations was \$70.3 million, or \$0.43 per diluted share, compared with net income of \$60.3 million, or \$0.38 per diluted share in the fourth quarter a year ago. Cash provided by operations in the fourth quarter was \$45.5 million.

During the fourth quarter, the Company closed its acquisition of ICx Technologies, Inc., and the segment contributed \$46.1 million of revenue and \$2.1 million of operating income. ICx fourth quarter operating income was impacted by \$5.2 million of expenses associated with acquisition-related intangibles and inventory amortization, as well as by \$1.4 million in force reduction charges. Additionally, FLIR corporate expenses during the quarter were impacted by \$2.2 million in costs associated with the acquisition of ICx. Several ICx entities are anticipated to be divested and have been classified as discontinued operations, with combined net losses during the quarter of \$0.5 million.

Revenue during the quarter from the Company's Government Systems segment increased 1% from the fourth quarter of 2009, to \$171.7 million. Revenue from the Company's Thermography segment increased 18% from the fourth quarter of 2009, to \$100.0 million, driven by growth in the Asia Pacific region and strong sales of both value and mid-priced cameras. Revenue from Commercial Vision Systems increased 35% from the fourth quarter of last year, to \$76.7 million, reflecting strong growth in cores and security products. Revenue from Raymarine was \$40.0 million with operating income of \$3.9 million.

For the full year, revenue was \$1,385.3 million, up 21% compared to \$1,147.1 million for the year ended December 31, 2009. Operating income for 2010 was \$360.6 million, up 4% from \$347.3 million in 2009. Net income from continuing operations for 2010 was \$248.6 million, or \$1.54 per diluted share, compared with 2009 net income of \$230.2 million, or \$1.45 per diluted share. Cash provided by operations during the year was \$255.4 million.

The Company's backlog of firm orders for delivery within the next twelve months was approximately \$534 million at December 31, 2010, no change from the previous quarter, and a decrease of \$29 million, or 5% compared with backlog at December 31, 2009. Backlog in the Government Systems segment was \$325 million, down \$61 million during the quarter, primarily due to delayed procurement by the U.S. government, offset by strong international orders. ICx backlog was \$62 million as of December 31, 2010. Backlog in the Commercial Vision Systems division was \$114 million, down \$3 million during the quarter, while backlog in the Thermography division was \$22 million, down \$1 million during the quarter. Raymarine ended 2010 with \$11 million in backlog of firm orders, an increase of \$2 million during the quarter.

Revenue and Earnings Outlook for 2011

FLIR also announced today that it expects revenue in 2011 to be in the range of \$1.63 billion to \$1.73 billion, an increase of approximately 18% to 25% compared with 2010, and net income to be in the range of \$1.65 to \$1.75 per diluted share, an increase of approximately 7% to 14% compared to 2010.

"Each of our segments delivered growth in the fourth quarter, and 2010 finished as our tenth consecutive year of record revenue, operating income, and earnings per share. We intend to continue this success by relying on our commercial mindset, a strong innovation engine, our increasingly global customer base, our entrenched distribution channels, and a continually evolving line of leading products," noted Earl R. Lewis, President and CEO of FLIR. "Sustained superior financial performance while enabling a growing number of customers to benefit from the valuable information our sensors provide remains our driving goal."

Conference Call

FLIR has scheduled a conference call at 4:30 p.m. ET today (1:30 p.m. PT). A simultaneous webcast of the conference call may be accessed online from the Upcoming Events link at the Investor Relations page of www.FLIR.com. A replay will be available after 7:30 p.m. ET (4:30 p.m. PT) at this same internet address. For a telephone replay, dial (800) 642-1687, Conference ID #38245030 after 7:30 p.m. 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		Twelve Months Ended	
	December 31,		December 31,	
	2010	2009	2010	2009
Revenue	\$ 434,373	\$ 311,560	\$ 1,385,301	\$ 1,147,087
Cost of goods sold	202,547	135,511	622,690	488,558
Gross profit	231,826	176,049	762,611	658,529

Operating expenses:

Research and development	34,749	24,366	116,381	91,301
Selling, general and administrative	96,450	61,742	285,658	219,941
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Total operating expenses	131,199	86,108	402,039	311,242
Earnings from operations	100,627	89,941	360,572	347,287
Interest expense	411	1,139	2,884	6,882
Interest income	(358)	(434)	(1,258)	(1,749)
Other (income) expense, net	(1,575)	(1,286)	(3,993)	1,761
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Earnings from continuing operations before income taxes	102,149	90,522	362,939	340,393
Income tax provision	31,840	30,269	114,326	110,180
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Earnings from continuing operations	70,309	60,253	248,613	230,213
Loss from discontinued operations, net of tax	(487)	--	(487)	--
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Net earnings	\$ 69,822	\$ 60,253	\$ 248,126	\$ 230,213
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Basic earnings per share:

Earnings from continuing

operations	\$ 0.44	\$ 0.40	\$ 1.59	\$ 1.54
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Discontinued operations	--	--	--	--
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Basic earnings per

share	\$ 0.44	\$ 0.40	\$ 1.59	\$ 1.54
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Diluted earnings per share:

Earnings from continuing

operations	\$ 0.43	\$ 0.38	\$ 1.54	\$ 1.45
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Discontinued operations	--	--	--	--
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Diluted earnings per

share	\$ 0.43	\$ 0.38	\$ 1.54	\$ 1.45
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Weighted average shares

outstanding:

Basic	158,867	152,163	156,141	149,405
	=====	=====	=====	=====

Diluted	161,510	161,241	161,630	161,569
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CONSOLIDATED BALANCE SHEETS

(In thousands)(Unaudited)

	December 31,	December 31,
	2010	2009
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ASSETS		
Current assets:		
Cash and cash equivalents	\$ 193,137	\$ 422,047
Accounts receivable, net	339,723	234,974
Inventories	303,156	216,500
Prepaid expenses and other current assets	95,663	93,276
Deferred income taxes, net	23,128	13,231
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Total current assets	954,807	980,028
Property and equipment, net	189,119	139,112
Deferred income taxes, net	22,742	5,322
Goodwill	482,019	262,331
Intangible assets, net	177,385	59,180
Other assets	31,280	48,571
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	\$ 1,857,352	\$ 1,494,544
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LIABILITIES AND SHAREHOLDERS' EQUITY

Current liabilities:

Accounts payable	\$	85,881	\$	53,319
Deferred revenue		17,867		20,986
Accrued payroll and related liabilities		54,894		39,809
Accrued product warranties		15,711		9,438
Advance payments from customers		22,616		8,616
Accrued expenses		36,578		25,941
Other current liabilities		8,186		13,273
Accrued income taxes		8,218		15,504
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Total current liabilities		249,951		186,886
Long-term debt		--		57,991
Deferred income taxes		13,163		2,222
Accrued income taxes		19,793		4,550
Pension and other long-term liabilities		51,897		39,146
Commitments and contingencies				
Shareholders' equity		1,522,548		1,203,749
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	\$	1,857,352	\$	1,494,544
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Company Contact:

Shane Harrison

+1 503.498.3162

www.flir.com

Source: FLIR Systems, Inc.

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