

FLIR SYSTEMS, INC. NDQ:FLIR

RECENT PRICE **22.73** P/E RATIO **15.5** (Trailing: 16.2 Median: 25.0) RELATIVE P/E RATIO **1.01** DIV'D YLD **Nil** VALUE LINE

TIMELINESS 3 Lowered 6/5/09
SAFETY 3 New 4/18/03
TECHNICAL 3 Raised 6/19/09
BETA .95 (1.00 = Market)

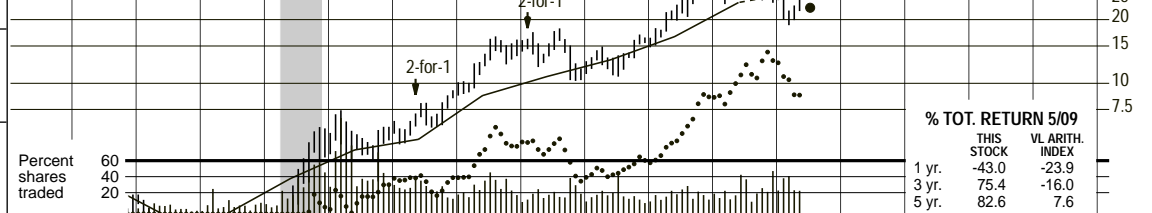
High: 3.0 3.0 2.4 6.2 7.4 9.3 16.7 18.2 17.0 36.4 45.5 32.3
 Low: 1.3 1.4 0.4 0.5 3.4 5.1 8.7 10.2 10.7 14.8 23.7 18.8

LEGENDS
 — 14.0 x "Cash Flow" p sh
 ... Relative Price Strength
 2-for-1 split 5/03
 2-for-1 split 2/05
 2-for-1 split 12/07
 Options: Yes
 Shaded area: prior recession
 Latest recession began 12/07

2012-14 PROJECTIONS
 Ann'l Total
 Price Gain Return
 High 45 (+100%) 18%
 Low 30 (+30%) 7%

Insider Decisions
 A S O N D J F M A
 to Buy 0 0 0 0 0 0 0 0 0 0
 Options 4 0 1 6 1 1 2 0 0
 to Sell 4 0 1 6 1 1 1 2 0

Institutional Decisions
 3Q2008 4Q2008 1Q2009
 to Buy 141 177 182
 to Sell 174 153 166
 Hlds(000) 145712 149615 144221



1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	© VALUE LINE PUB., INC. 12-14	
1.18	1.23	1.19	1.53	1.16	1.60	1.62	1.60	1.62	1.89	2.37	3.49	3.67	4.37	5.70	7.62	8.40	9.65	Sales per sh	11.30
.15	.14	.15	.18	d.04	d.36	d.14	.25	.35	.39	.62	.77	.92	1.19	1.72	1.95	2.20	2.20	"Cash Flow" per sh	2.65
.10	.10	.09	.12	d.15	.18	d.43	d.23	.20	.29	.32	.47	.58	.66	.89	1.28	1.47	1.65	Earnings per sh ^A	1.85
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.06	.06	.07	.13	.14	.13	.06	.06	.03	.05	.11	.10	.25	.33	.32	.20	.20	.30	Cap'l Spending per sh	.30
1.00	1.00	1.03	1.16	.95	1.30	.54	.25	.79	1.25	1.25	2.27	2.67	3.03	4.56	5.94	7.40	9.65	Book Value per sh ^C	15.20
32.55	38.28	42.26	43.10	78.86	96.21	115.11	116.39	132.44	138.40	131.45	138.24	138.43	131.67	136.77	141.39	143.00	137.00	Common Shs Outst'g ^B	137.00
13.6	17.0	18.4	13.7	--	12.4	--	--	14.5	18.6	21.7	27.0	24.4	20.3	26.5	26.1	26.5	26.1	Avg Ann'l P/E Ratio	20.0
.80	1.11	1.23	.86	--	.64	--	--	.74	1.02	1.24	1.43	1.30	1.10	1.41	1.60	1.60	1.60	Relative P/E Ratio	1.35
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CAPITAL STRUCTURE as of 3/31/09
 Total Debt \$88.2 mill. Due in 5 Yrs. None
 LT Debt \$88.2 mill. LT Interest \$5.0 mill.
 Includes \$88.1 million of 3.0% senior convertible notes due 2023. (Total interest earned: 33.8x) (8% of Cap'l)
Leases, Uncapitalized: Annual rentals \$8.7 mill.
Pension Assets-12/08 None Oblig. \$21.2 mill.
Pfd Stock None
Common Stock 150,536,000 shs.
 (Options exercisable 5.3%)
MARKET CAP: \$3.4 billion (Mid Cap)

186.5	186.4	214.4	261.1	312.0	482.7	508.6	575.0	779.4	1077.0	1200	1320	Sales (\$mill)	1550
NMF	NMF	20.9%	21.6%	24.4%	25.7%	27.8%	27.4%	27.9%	30.1%	33.0%	32.0%	Operating Margin	30.5%
6.9	9.7	7.5	6.2	6.3	14.8	15.6	20.6	25.9	40.0	42.0	47.0	Depreciation (\$mill)	75.0
d48.6	d26.1	25.9	41.6	44.7	71.5	90.8	100.9	136.7	203.7	235	255	Net Profit (\$mill)	285
--	--	9.8%	15.0%	30.0%	28.4%	25.7%	23.9%	28.5%	30.9%	33.0%	32.0%	Income Tax Rate	29.5%
NMF	NMF	12.1%	15.9%	14.3%	14.8%	17.8%	17.5%	17.5%	18.9%	19.7%	19.3%	Net Profit Margin	18.4%
11.1	65.8	69.4	121.5	311.8	278.1	315.4	316.1	489.4	640.2	515	520	Working Cap'l (\$mill)	1310
1.5	75.5	--	--	204.4	205.3	206.2	207.0	207.9	190.3	90.0	90.0	Long-Term Debt (\$mill)	90.0
62.2	29.0	104.8	172.3	164.8	313.2	369.0	398.8	623.3	840.1	890	990	Shr. Equity (\$mill)	2080
NMF	NMF	24.8%	24.1%	12.8%	14.6%	16.5%	17.4%	17.1%	19.8%	24.5%	24.0%	Return on Total Cap'l	13.0%
NMF	NMF	24.7%	24.1%	27.1%	22.8%	24.6%	25.3%	21.9%	24.3%	26.5%	25.5%	Return on Shr. Equity	13.5%
NMF	NMF	24.7%	24.1%	27.1%	22.8%	24.6%	25.3%	21.9%	24.3%	26.5%	25.5%	Retained to Com Eq	13.5%
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CURRENT POSITION 2007 2008 3/31/09 (\$MILL.)

Cash Assets	203.7	289.4	327.3
Receivables	203.4	239.2	234.4
Inventory (Avg Cst)	179.4	207.5	210.5
Other	69.0	76.4	71.6
Current Assets	655.5	812.5	843.8
Accts Payable	54.0	47.8	59.4
Debt Due	7.0	--	--
Other	105.1	124.5	115.3
Current Liab.	166.1	172.3	174.7

BUSINESS: FLIR Systems, Inc. manufactures thermal imaging systems. Three segments: Government Systems (53% of '08 sales); Thermography (30%); and Commercial Vision Systems (17%). Primary customers are government agencies in over 60 countries. Also serves the commercial and industrial sectors. Foreign customers: 38% of '08 sales; U.S. Govt., 41%. Acq'd. AGEMA Infrared Systems AB, 12/97, Indigo Systems, 1/04. Has about 1,943 empls. '08 depr. rate: 19.1%. FMR Corp. owns 14.6% of stock; T. Rowe Price, 7.8%; Wellington Mgmt., 6.1%; Franklin Res., 5.6%; Columbia Wanger, 5.6%; Off/dir., 3.9% (3/09 proxy). Pres. & CEO: Earl R. Lewis. Inc.: OR. Addr.: 27700A SW Parkway Ave., Wilsonville, OR 97070. Tel.: 503-684-3731. Internet: www.flir.com.

ANNUAL RATES Past 10 Yrs. Past 5 Yrs. Est'd '06-'08 to '12-'14

change (per sh)	15.0%	24.5%	10.0%
Sales	26.0%	31.0%	12.0%
"Cash Flow"	34.0%	28.5%	12.0%
Earnings	--	--	NMF
Dividends	15.0%	32.5%	21.5%
Book Value	--	--	--

FLIR Systems' Government Systems segment should continue to bolster the bottom line. Divisional revenues soared 42% in the March quarter and bookings have remained healthy, primarily outside of the U.S. Notably, FLIR recently sold numerous Star SAFIRE force protection systems and BRITE STAR II imaging offerings to allies in the Middle East. Also, it is developing a new airborne thermal imaging system for a Brazilian aerospace firm. In the U.S., too, demand for airborne and ground-based applications from the Naval Surface Warfare Center and other military customers has been good. And additional opportunities exist. However, some slowing in the rate of segment top-line growth is likely in store, given an increased level of order delays domestically. **Thermography results may remain unexciting.** Segment sales are slumping, due to the recession and a strengthening of the dollar against foreign currencies. Demand from the electrical mechanical, gas imaging, and R&D markets is sluggish, though the building sector has been a bright spot. Some top-line improvement is

likely during the second half of 2009 and in 2010, stemming partly from the government stimulus package and utilities. **The Commercial Vision Systems business should show moderate revenue growth this year.** Bookings for security and surveillance applications in the infrastructure and power plant markets are robust. However, transportation (maritime and auto) related sales are down. New products targeting emerging markets and government aid ought to support growth through 2010. **Margins are expanding in each division,** particularly Thermography, thanks to a shift towards higher-volume, lower-priced sales, as well as cost cuts. **FLIR has completed the exchange of a portion of its convertible debt,** adding about 9 million common shares that were already included in the diluted shares outstanding total. We look for the company to resume share repurchases. **This stock has fallen a notch in Timeliness, to 3 (Average).** Furthermore, at the current price, 3- to 5-year appreciation potential is below par.

QUARTERLY SALES (\$ mill.)

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	117.3	138.6	133.2	185.9	575.0
2007	161.4	184.3	191.1	242.6	779.4
2008	236.9	261.0	276.7	302.4	1077.0
2009	272.0	300	310	318	1200
2010	305	325	335	355	1320

EARNINGS PER SHARE ^A

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2006	.08	.14	.18	.27	.66
2007	.18	.19	.22	.30	.89
2008	.24	.29	.35	.41	1.28
2009	.35	.36	.37	.39	1.47
2010	.36	.39	.43	.47	1.65

QUARTERLY DIVIDENDS PAID

Cal-endar	Mar.31	Jun.30	Sep.30	Dec.31	Full Year
2005					
2006					
2007					
2008					
2009					

NO CASH DIVIDENDS BEING PAID

Damon Churchwell July 10, 2009

(A) Basic earnings through 1995, diluted thereafter. Excludes nonrecurring gains/(losses): '94, \$0.04; '97, (\$.51); '99, (\$0.06). 2006 and 2008 earnings do not sum due to changes in shares outstanding or rounding. Next earnings report due late July.	(B) In millions, adjusted for splits.	(C) Includes intangibles. At 12/31/08: \$281.9 million, \$1.99/sh.	Company's Financial Strength	B++
			Stock's Price Stability	55
			Price Growth Persistence	85
			Earnings Predictability	95