

FARO Technologies, Inc. Logo

Faro Technologies Reports Preliminary Revenue For Fourth Quarter

February 3, 1999

Production Transition Complete
New Product Line Being Well Received

LAKE MARY, Fla., Feb. 3 /PRNewswire/ -- Faro Technologies, Inc. (Nasdaq: FARO), today announced that it expects to report revenues of approximately \$8.1 million for the fourth quarter ended December 31, 1998, an increase of approximately 11% compared with \$7.3 million for the year-ago quarter. For the year ended December 31, 1998, the company expects to announce revenues of approximately \$27.5 million, an increase of approximately 17% compared with \$23.5 million for the year ended December 31, 1997.

"During the fourth quarter we were able to significantly reduce our backlog of orders for our new Gold and Sterling FaroArm products while also replacing our sales organization's demonstration inventory," said Simon Raab, President and Chief Executive Officer. "We are pleased that we have completed the retooling of our production lines to manufacture these new products. This retooling is one component of the transition from the old product line to the new product line, which we started last September. Demand for the new product line, especially the higher end Gold series, is very strong, confirming our predictions," Raab concluded.

The Company expects to announce its earnings for the fourth quarter and year on February 23, 1999. The Company did not give estimates for earnings, pending necessary restatement of its second quarter 1998 write-off of in-process research and development related to its acquisition of CATS GmbH, a developer of Computer Aided Design (CAD) based inspection and quality control software. This restatement, which will impact its third and fourth quarters and year earnings, results from recent guidance published by the Securities and Exchange Commission on the treatment of in-process research and development.

FARO Technologies, Inc. and its international subsidiaries are pioneers in the Computer Assisted Manufacturing Measurement (CAMM) market. Its quality assurance products play a key role in the worldwide trend toward Computer Aided Design (CAD)-based total quality management for shortened production cycles and the improvement of product quality with the reduction of scrap and rework. Faro's product line includes portable measurement equipment, a broad line of CAD-based inspection software for portable and fixed-base coordinate measurement machines, and factory-level statistical process control (SPC) software. FARO's products are used worldwide by a wide variety of manufacturing companies, both large and small. News and information are available at the company's Website at <http://www.faro.com>.

This press release contains "forward looking statements" within the meaning of the Private Securities Litigation Reform Act of 1995. Such forward-looking statements involve known and unknown risks, uncertainties or other factors which may cause actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Factors that might cause such a difference include, but are not limited to: availability of qualified sales personnel, cyclicalities of the automotive market, and fluctuations in quarterly operating results.

SOURCE FARO Technologies Inc.

Web site: <http://www.faro.com>

CONTACT: