

FARO Technologies, Inc. Logo

FARO Continues Licensing of 3D Computer-Assisted Surgery Patents

December 28, 1999

Expects in Excess of \$500,000 in Year 2000 Royalty Revenues

LAKE MARY, Fla., Dec. 28 /PRNewswire/ -- FARO Technologies, Inc., (Nasdaq: FARO) the leading manufacturer of three-dimensional (3D) measuring equipment and software today announced that it has licensed its image guided surgery intellectual property to Radionics Software Applications, Inc., a Massachusetts-based manufacturer of medical instruments. While FARO discontinued medical product development and sales in 1993 to focus primarily on industrial applications of 3D measuring technology, it continued an aggressive patenting process to cover many of the innovations developed during its 10 years as a medical products manufacturer. FARO is the holder of a number of landmark patents in the field of 3D computer-assisted surgery, some issued as recently as spring of 1998.

Radionics is the third major supplier of computer-assisted surgical products to sign a non-exclusive, royalty-bearing license to the FARO patents. In addition, FARO has licensed medical patents to Memphis, Tennessee-based Sofamor Danek Group, which was acquired by Minneapolis-based Medtronic (NYSE: MDT) in January 1999. FARO's license to Elekta was acquired by Medtronic in mid-December as part of Medtronic's acquisition of a substantial portion of Elekta's Image Guided Surgery business. With these acquisitions, Medtronic's neurological and spinal business has become the global market leader with over \$1 billion in expected revenue this fiscal year.

"FARO will benefit from a continuously increasing royalty revenue stream which was in excess of \$400,000 in 1999 and expected to exceed \$500,000 in 2000," said Simon Raab, President and CEO of FARO. "We are excited with Medtronic's consolidation efforts in the computer-assisted surgery sector and expect continuous growth from the market leader in this exciting market. We will continue to license 3D technology in the surgical products market, but will continue focusing research and development on the advanced use of computers and 3D information in the industrial arena."

FARO Technologies, Inc. and its international subsidiaries are pioneers and market leaders in the Computer-Aided Manufacturing Measurement (CMM) market, which is the final frontier of the Computer-Aided Design (CAD) revolution. The company's hardware and software products play a key role in the worldwide trend toward CAD-based total quality management for shortened production cycles and in total quality management for the reduction in scrap and rework. FARO's product line includes FaroArm(R) portable measurement equipment, a broad range 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 web site at <http://www.faro.com> .

To receive additional information on FARO Technologies, Inc. via fax at no charge, dial 1-800-PRO-INFO and enter code FARO. For international access, dial 732-544-2850.

Statements contained in this press release that are not historical facts are forward-looking statements that are made pursuant to the safe harbor provisions of the Private Securities and Litigation Reform Act of 1995. In addition, words such as "believes," "anticipates," "expects" and similar expressions are intended to identify forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties or other factors that 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. Such factors include the licensee sales and FARO's continuing patent activities. Forward-looking statements in this release represent the company's judgment as of the date of this release. The company disclaims, however, any intent or obligation to update these forward-looking statements.

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