

FARO Announces Global Reduction in Force of 8%

August 24, 2009

LAKE MARY, Fla., Aug. 24 /PRNewswire-FirstCall/ -- FARO Technologies, Inc. (Nasdaq: FARO) today announced a global reduction in force. This reduction is in addition to previously announced reductions of approximately 21% which occurred during the first quarter of 2009.

The reduction, effective immediately, impacts approximately 8% of FARO's current workforce. The Company expects to save approximately \$4.1 million on an annual basis and will incur a third quarter charge of approximately \$0.6 million related to severance costs. In total, the actions taken this year should provide an annualized benefit of approximately \$17 million.

"This reduction, combined with the reductions we announced in the first quarter, will lower the cost structure of the business substantially in 2010 while also providing cost benefits in the current year," stated Jay Freeland, FARO's President & CEO. "Though the long-term opportunity for FARO remains strong, there is clearly some weakness in the current market. While we regret the impact of this decision on our employees, we believe the reduction in force is prudent and should help us return to profitability as soon as 2010," Freeland concluded.

The Company will provide further details when it reports third quarter financial results, currently scheduled for the beginning of November.

This press release contains forward-looking statements (within the meaning of the Private Securities Litigation Reform Act of 1995) that are subject to risks and uncertainties, such as statements about the future state of the economy, FARO's focus, plans and strategies, its ability to further reduce operating costs, and its future financial condition. Statements that are not historical facts or that describe the Company's plans, objectives, projections, expectations, assumptions, strategies, or goals are forward-looking statements. In addition, words such as "intend," "believe," "will," "expect" and similar expressions or discussions of our strategy or other intentions identify forward-looking statements. Forward-looking statements are not guarantees of future performance and are subject to various known and unknown risks, uncertainties, and other factors that may cause actual results, performances, or achievements to differ materially from future results, performances, or achievements expressed or implied by such forward-looking statements. Consequently, undue reliance should not be placed on these forward-looking statements.

Factors that could cause actual results to differ materially from what is expressed or forecasted in such forward-looking statements include, but are not limited to:

- development by others of new or improved products, processes or technologies that make the Company's products obsolete or less competitive;
- the cyclical nature of the industries of our customers and material adverse changes in customers' access to liquidity and capital;
- further declines or other adverse changes, or lack of improvement, in industries that the Company serves or the domestic and international economies in the regions of the world where the Company operates and other general economic, business, and financing conditions;
- fluctuations in the Company's annual and quarterly operating results and the inability to achieve its financial operating targets;
- risks associated with expanding international operations, such as fluctuations in currency exchange rates, difficulties in staffing and managing foreign operations, political and economic instability, compliance with import and export regulations, and the burdens and potential exposure of complying with a wide variety of U.S. and foreign laws and labor practices;
- other risks detailed in Part I, Item 1A. Risk Factors in the Company's Annual Report on Form 10-K for the year ended December 31, 2008.

Forward-looking statements in this release represent the Company's judgment as of the date of this release. The Company undertakes no obligation to update publicly any forward-looking statements, whether as a result of new information, future events, or otherwise.

About FARO

With approximately 20,000 installations and 9,500 customers globally, FARO Technologies, Inc. designs, develops, and markets portable, computerized measurement devices and software used to create digital models -- or to perform evaluations against an existing model -- for anything requiring highly detailed 3-D measurements, including part and assembly inspection, factory planning and asset documentation, as well as specialized applications ranging from surveying, recreating accident sites and crime scenes to digitally preserving historical sites.

FARO's technology increases productivity by dramatically reducing the amount of on-site measuring time, and the various industry-specific software packages enable users to process and present their results quickly and more effectively.

Principal products include the world's best-selling portable measurement arm -- the FaroArm; the world's best-selling laser tracker -- the FARO Laser

Tracker X and Xi; the FARO Laser ScanArm; FARO Photon Laser Scanners; the FARO Gage, Gage-PLUS and PowerGAGE; and the CAM2 Q family of advanced CAD-based measurement and reporting software. FARO Technologies is ISO-9001 certified and ISO-17025 laboratory registered.

SOURCE FARO Technologies, Inc.

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