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**UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION**

Washington, D.C. 20549

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**FORM 8-K**

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**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of the  
Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): November 2, 2011**

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**FARO TECHNOLOGIES, INC.**

(Exact name of registrant as specified in its charter)

**Florida**  
(State or other jurisdiction  
of incorporation)

**0-23081**  
(Commission  
File Number)

**59-3157093**  
(IRS Employer  
Identification No.)

**250 Technology Park, Lake Mary, Florida 32746**  
(Address of principal executive offices) (Zip Code)

**Registrant's telephone number, including area code: (407) 333-9911**

**N/A**  
(Former name or former address, if changed since last report)

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Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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**Item 2.02. Results of Operations and Financial Condition.**

On November 2, 2011, FARO Technologies, Inc. (the "Company") issued a press release announcing its results of operations for the third fiscal quarter ended October 1, 2011. A copy of the press release is furnished as Exhibit 99.1 hereto and is incorporated herein by reference.

The information furnished pursuant to Item 2.02 and Exhibit 99.1 of this Current Report on Form 8-K shall not be deemed to be "filed" for the purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), or otherwise subject to the liabilities of that section. The information in this Current Report shall not be incorporated by reference into any filing under the Securities Act of 1933, as amended, or the Exchange Act, whether made before or after the date of this Current Report, regardless of any general incorporation language in the filing.

**Item 9.01. Financial Statements and Exhibits.****(d) Exhibits**

The following exhibit is furnished with this Current Report on Form 8-K:

<b>Exhibit Number</b>	<b>Description</b>
99.1	Press release dated November 2, 2011.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

FARO Technologies, Inc.  
(Registrant)

November 2, 2011

/s/ Keith Bair

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By: Keith Bair

Its: Chief Financial Officer

**EXHIBIT INDEX**

Exhibit  
Number

Description

99.1

Press release dated November 2, 2011.



FARO Technologies Inc.  
250 Technology Park  
Lake Mary, FL 32746

Keith Bair, Senior Vice President and CFO  
keith.bair@FARO.com, 407-333-9911

### **FARO Reports Third Quarter 2011 Sales Growth of 43.1% and EPS Growth of 171.4%**

**LAKE MARY, FL**, November 2, 2011 — FARO Technologies, Inc. (NASDAQ: FARO) today announced results for the quarter ended October 1, 2011. Sales in the third quarter of 2011 increased 43.1%, to \$64.8 million, from \$45.3 million in the third quarter of 2010. The Company reported net income increased by 176% to \$6.4 million, or \$0.38 per share, in the third quarter of 2011, from \$2.3 million, or \$0.14 per share, in the third quarter of 2010.

New order bookings for the third quarter of 2011 were \$60.2 million, an increase of \$13.4 million, or 28.6%, compared to \$46.8 million in the third quarter of 2010.

“Despite challenging economies in several major regions, worldwide demand for FARO’s solutions remains strong, demonstrated by our 43% growth in sales in the quarter. The Americas grew by 43.7%, Europe grew by 53.0%, and Asia grew by 27.4%,” stated Jay Freeland, FARO’s President and CEO. “We had solid revenue growth in all major product lines. In particular, the Focus Laser Scanner had exceptional growth, as sales of this highly disruptive product continued to exceed our expectations. In the third quarter, we increased production capacity and significantly reduced our backlog of laser scanner orders. We now expect to quote and deliver laser scanners within FARO’s standard delivery cycle to meet continued demand growth.”

Gross margin for the third quarter of 2011 was 56.1%, compared to 58.3% in the third quarter of 2010 and sequentially flat with Q2 2011, the result of proportionately higher laser scanner sales relative to the Company’s historical product mix.

The Company’s operating margin for the third quarter increased to 15.4%, compared with 6.3% in the third quarter of 2010. The increase was driven by a combination of continued cost containment and substantial operating leverage on the Company’s cost structure.

“We had an exceptional third quarter with 171% EPS growth on a 43% increase in sales. Demand in all end markets continues to be strong. Equally important, our business model is generating excellent operating leverage from the incremental sales of the Focus Laser Scanner and other FARO products,” Freeland concluded.

*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 FARO’s focus, plans and strategies, and product releases, and its future operating results and 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;*
- delays in the introduction of new products by the Company;*
- production delays caused by shortages of raw materials incorporated in the Company’s products;*
- the cyclical nature of the industries of the Company’s customers and material adverse changes in customers’ access to liquidity and capital;*
- 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, 2010.*

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.

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## **About FARO**

With over 26,000 installations and 13,000 customers globally, FARO Technologies, Inc. designs, develops, and markets portable, computerized measurement and imaging 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 Focus 3D Laser Scanner; 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.

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**FARO TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF INCOME**  
(UNAUDITED)

(in thousands, except share and per share data)	Three Months Ended		Nine Months Ended	
	Oct 1, 2011	Oct 2, 2010	Oct 1, 2011	Oct 2, 2010
<b>SALES</b>				
Product	\$ 54,032	\$ 36,725	\$ 146,682	\$ 107,875
Service	10,775	8,561	30,402	25,385
Total Sales	<u>64,807</u>	<u>45,286</u>	<u>177,084</u>	<u>133,260</u>
<b>COST OF SALES</b>				
Product	21,605	12,901	56,527	36,796
Service	6,813	6,002	20,380	17,602
Total Cost of Sales (exclusive of depreciation and amortization, shown separately below)	<u>28,418</u>	<u>18,903</u>	<u>76,907</u>	<u>54,398</u>
<b>GROSS PROFIT</b>	<u>36,389</u>	<u>26,383</u>	<u>100,177</u>	<u>78,862</u>
<b>OPERATING EXPENSES:</b>				
Selling	14,696	11,707	44,157	34,969
General and administrative	6,424	7,201	19,931	19,476
Depreciation and amortization	1,711	1,779	5,047	4,834
Research and development	3,591	2,850	11,037	8,836
Total operating expenses	<u>26,422</u>	<u>23,537</u>	<u>80,172</u>	<u>68,115</u>
<b>INCOME FROM OPERATIONS</b>	<u>9,967</u>	<u>2,846</u>	<u>20,005</u>	<u>10,747</u>
<b>OTHER (INCOME) EXPENSE</b>				
Interest income	(19)	(38)	(84)	(83)
Other expense (income), net	780	(544)	775	1,800
Interest expense	<u>2</u>	<u>2</u>	<u>33</u>	<u>31</u>
<b>INCOME BEFORE INCOME TAX EXPENSE</b>	<u>9,204</u>	<u>3,426</u>	<u>19,281</u>	<u>8,999</u>
<b>INCOME TAX EXPENSE</b>	<u>2,775</u>	<u>1,098</u>	<u>5,376</u>	<u>2,770</u>
<b>NET INCOME</b>	<u>\$ 6,429</u>	<u>\$ 2,328</u>	<u>\$ 13,905</u>	<u>\$ 6,229</u>
<b>NET INCOME PER SHARE - BASIC</b>	<u>\$ 0.39</u>	<u>\$ 0.14</u>	<u>\$ 0.85</u>	<u>\$ 0.39</u>
<b>NET INCOME PER SHARE - DILUTED</b>	<u>\$ 0.38</u>	<u>\$ 0.14</u>	<u>\$ 0.83</u>	<u>\$ 0.38</u>
Weighted average shares - Basic	<u>16,609,005</u>	<u>16,160,378</u>	<u>16,435,337</u>	<u>16,144,366</u>
Weighted average shares - Diluted	<u>16,849,282</u>	<u>16,270,741</u>	<u>16,788,776</u>	<u>16,292,938</u>



**FARO TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED BALANCE SHEETS**

(in thousands, except share data)	Oct 1, 2011 (unaudited)	December 31, 2010
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 54,345	\$ 50,722
Short-term investments	64,995	64,986
Accounts receivable, net	50,670	51,862
Inventories, net	49,299	28,242
Deferred income taxes, net	4,349	4,455
Prepaid expenses and other current assets	10,713	8,045
Total current assets	234,371	208,312
Property and Equipment:		
Machinery and equipment	28,217	24,840
Furniture and fixtures	6,005	5,700
Leasehold improvements	10,151	9,682
Property and equipment at cost	44,373	40,222
Less: accumulated depreciation and amortization	(28,298)	(24,982)
Property and equipment, net	16,075	15,240
Goodwill	18,998	19,015
Intangible assets, net	6,978	7,204
Service inventory	15,683	13,726
Deferred income taxes, net	2,520	2,522
<b>Total Assets</b>	<b>\$294,625</b>	<b>\$ 266,019</b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 11,647	\$ 12,025
Accrued liabilities	16,633	15,208
Income taxes payable	391	1,138
Current portion of unearned service revenues	15,010	13,357
Customer deposits	2,490	3,679
Current portion of obligations under capital leases	25	91
Total current liabilities	46,196	45,498
Unearned service revenues - less current portion	8,785	6,758
Deferred tax liability, net	1,160	1,161
Obligations under capital leases - less current portion	156	125
<b>Total Liabilities</b>	<b>56,297</b>	<b>53,542</b>
Shareholders' Equity:		
Common stock - par value \$.001, 50,000,000 shares authorized; 17,306,911 and 16,894,374 issued; 16,626,676 and 16,214,139 outstanding, respectively	17	17
Additional paid-in capital	167,491	156,310
Retained earnings	71,889	57,983
Accumulated other comprehensive income	8,006	7,242
Common stock in treasury, at cost - 680,235 shares	(9,075)	(9,075)
<b>Total Shareholders' Equity</b>	<b>238,328</b>	<b>212,477</b>
<b>Total Liabilities and Shareholders' Equity</b>	<b>\$294,625</b>	<b>\$ 266,019</b>

**FARO TECHNOLOGIES, INC. AND SUBSIDIARIES**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(UNAUDITED)

<u>(in thousands)</u>	<u>Nine Months Ended</u>	
	<u>Oct 1,</u> <u>2011</u>	<u>Oct 2,</u> <u>2010</u>
<b>CASH FLOWS FROM:</b>		
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 13,905	\$ 6,229
Adjustments to reconcile net income to net cash (used in) provided by operating activities:		
Depreciation and amortization	5,047	4,834
Compensation for stock options and restricted stock units	2,042	1,799
Provision for bad debts	1,620	1,638
Deferred income tax expense	111	1,210
<b>Change in operating assets and liabilities:</b>		
Decrease (increase) in:		
Accounts receivable	(460)	(2,548)
Inventories, net	(23,682)	(5,141)
Prepaid expenses and other current assets	(2,707)	(3,455)
Income tax benefit from exercise of stock options	(1,412)	(27)
Increase (decrease) in:		
Accounts payable and accrued liabilities	1,068	4,197
Income taxes payable	597	(318)
Customer deposits	(1,116)	444
Unearned service revenues	3,593	923
Net cash (used in) provided by operating activities	<u>(1,394)</u>	<u>9,785</u>
<b>INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(3,370)	(2,533)
Payments for intangible assets	(646)	(574)
Net cash used in investing activities	<u>(4,016)</u>	<u>(3,107)</u>
<b>FINANCING ACTIVITIES:</b>		
Proceeds from notes payable	—	2,490
Payments on notes payable	—	(2,490)
Payments on capital leases	(140)	(60)
Income tax benefit from exercise of stock options	1,412	27
Proceeds from issuance of stock, net	7,727	380
Net cash provided by financing activities	<u>8,999</u>	<u>347</u>
EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	<u>34</u>	<u>2,522</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>3,623</b>	<b>9,547</b>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<b><u>50,722</u></b>	<b><u>35,078</u></b>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<b><u>\$ 54,345</u></b>	<b><u>\$44,625</u></b>