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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): May 1, 2012**

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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)

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 May 1, 2012, FARO Technologies, Inc. (the “Company”) issued a press release announcing its results of operations for the first fiscal quarter ended March 31, 2012. 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 May 1, 2012.

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)

May 1, 2012

/s/ Keith Bair  
By: Keith Bair  
Its: Chief Financial Officer

**EXHIBIT INDEX**

<u>Exhibit Number</u>	<u>Description</u>
99.1	Press release dated May 1, 2012.



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 First Quarter 2012 Sales Growth of 24.1%**

#### **Net Income Growth of 108.2%**

**LAKE MARY, FL, May 1, 2012** – FARO Technologies, Inc. (NASDAQ: FARO) today announced results for the first quarter ended March 31, 2012. Sales in the first quarter of 2012 increased 24.1% to \$65.2 million, from \$52.6 million in the first quarter of 2011. The Company reported net income increased by 108.2% to \$6.7 million, or \$0.39 per share, in the first quarter of 2012, from \$3.2 million, or \$0.20 per share, in the first quarter of 2011.

New order bookings for the first quarter of 2012 were \$62.1 million, an increase of 11.1% from \$55.9 million in the first quarter of 2011.

“The first quarter was strong. Sales grew 24% and Net Income grew more than 100% compared to the first quarter of 2011. We had good sales growth from our metrology products as well as the Focus Laser Scanner,” stated Jay Freeland, FARO’s President and CEO. “Robust orders growth in Asia continued in the quarter and the Americas had strong demand. However, order intake in the Americas was affected by timing, as a significant number of orders were not received until after the quarter ended. Europe experienced some market softness in the first quarter, but we expect that market to recover during the remainder of 2012.”

Gross margin for the first quarter of 2012 was 57.0%, compared to 57.6% in the first quarter of 2011 and represents continued improvement in our product margins over the past few quarters when the gross margins declined as a result of proportionately higher laser scanner sales, which currently have a lower gross margin relative to the Company’s historical product mix.

The Company's operating margin for the first quarter increased to 12.9%, compared with 8.2% in the first quarter of 2011. The increase was driven by a combination of continued cost containment and substantial operating leverage on the Company's cost structure.

"The first quarter was a good start to the year. We are encouraged by the continued strength in demand for our products and the solid leverage we're getting from our operating model," 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 demand for its products, 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 FARO's plans 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;*
- 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;*
- risks associated with 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, 2011.*

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 28,000 installations and 14,000 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 BALANCE SHEETS**

(in thousands, except share data)	March 31, 2012 (Unaudited)	December 31, 2011
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 73,588	\$ 64,540
Short-term investments	64,993	64,997
Accounts receivable, net	48,731	57,512
Inventories, net	56,342	49,934
Deferred income taxes, net	5,295	5,297
Prepaid expenses and other current assets	11,426	9,207
Total current assets	<u>260,375</u>	<u>251,487</u>
Property and Equipment:		
Machinery and equipment	30,248	29,171
Furniture and fixtures	6,066	5,963
Leasehold improvements	10,343	10,233
Property and equipment at cost	46,657	45,367
Less: accumulated depreciation and amortization	<u>(30,677)</u>	<u>(29,134)</u>
Property and equipment, net	15,980	16,233
Goodwill		
Intangible assets, net	18,962	18,610
Service inventory	6,790	6,849
Deferred income taxes, net	18,477	17,316
Deferred income taxes, net	2,349	2,296
<b>Total Assets</b>	<b><u>\$322,933</u></b>	<b><u>\$ 312,791</u></b>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Current Liabilities:		
Accounts payable	\$ 10,745	\$ 13,396
Accrued liabilities	16,753	18,076
Income taxes payable	746	2,682
Current portion of unearned service revenues	16,475	15,638
Customer deposits	3,933	4,072
Current portion of obligations under capital leases	57	84
Total current liabilities	48,709	53,948
Unearned service revenues - less current portion	9,575	9,540
Deferred tax liability, net	1,159	1,148
Obligations under capital leases - less current portion	392	257
<b>Total Liabilities</b>	<b><u>59,835</u></b>	<b><u>64,893</u></b>
Shareholders' Equity:		
Common stock - par value \$.001, 50,000,000 shares authorized; 17,601,556 and 17,381,110 issued; 16,921,321 and 16,700,875 outstanding, respectively	18	17
Additional paid-in capital	176,897	169,780
Retained earnings	88,110	81,360
Accumulated other comprehensive income	7,148	5,816
Common stock in treasury, at cost - 680,235 shares	<u>(9,075)</u>	<u>(9,075)</u>
<b>Total Shareholders' Equity</b>	<b><u>263,098</u></b>	<b><u>247,898</u></b>
<b>Total Liabilities and Shareholders' Equity</b>	<b><u>\$322,933</u></b>	<b><u>\$ 312,791</u></b>



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

(in thousands, except share and per share data)	Three Months Ended	
	March 31, 2012	April 2, 2011
<b>SALES</b>		
Product	\$ 54,424	\$ 42,958
Service	10,805	9,608
Total Sales	65,229	52,566
<b>COST OF SALES</b>		
Product	20,506	15,573
Service	7,537	6,721
Total Cost of Sales (exclusive of depreciation and amortization, shown separately below)	28,043	22,294
<b>GROSS PROFIT</b>	37,186	30,272
<b>OPERATING EXPENSES:</b>		
Selling	16,038	14,152
General and administrative	6,628	6,590
Depreciation and amortization	1,679	1,614
Research and development	4,408	3,632
Total operating expenses	28,753	25,988
<b>INCOME FROM OPERATIONS</b>	8,433	4,284
<b>OTHER (INCOME) EXPENSE</b>		
Interest income	(101)	(26)
Other (income) expense, net	(140)	(129)
Interest expense	13	29
<b>INCOME BEFORE INCOME TAX EXPENSE</b>	8,661	4,410
<b>INCOME TAX EXPENSE</b>	1,911	1,167
<b>NET INCOME</b>	\$ 6,750	\$ 3,243
<b>NET INCOME PER SHARE - BASIC</b>	\$ 0.40	\$ 0.20
<b>NET INCOME PER SHARE - DILUTED</b>	\$ 0.39	\$ 0.20
Weighted average shares - Basic	16,788,241	16,253,121
Weighted average shares - Diluted	17,162,959	16,598,797

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

<u>(in thousands)</u>	Three Months Ended	
	March 31, 2012	April 2, 2011
Net income	\$ 6,750	\$ 3,243
Currency translation adjustments	1,334	2,571
Comprehensive income	\$ 8,084	\$ 5,814

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

<u>(in thousands)</u>	<u>Three Months Ended</u>	
	<u>March 31, 2012</u>	<u>April 2, 2011</u>
<b>CASH FLOWS FROM:</b>		
<b>OPERATING ACTIVITIES:</b>		
Net income	\$ 6,750	\$ 3,243
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	1,679	1,614
Compensation for stock options and restricted stock units	773	642
Provision for bad debts	11	329
Deferred income tax (benefit) expense	(5)	291
<b>Change in operating assets and liabilities:</b>		
Decrease (increase) in:		
Accounts receivable	9,254	5,412
Inventories, net	(6,432)	(7,525)
Prepaid expenses and other current assets	(1,979)	(509)
Income tax benefit from exercise of stock options	(1,056)	(237)
Increase (decrease) in:		
Accounts payable and accrued liabilities	(4,290)	(2,447)
Income taxes payable	(774)	(742)
Customer deposits	(258)	762
Unearned service revenues	661	1,389
Net cash provided by operating activities	<u>4,334</u>	<u>2,222</u>
<b>INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(703)	(1,183)
Payments for intangible assets	(193)	(294)
Net cash (used in) investing activities	<u>(896)</u>	<u>(1,477)</u>
<b>FINANCING ACTIVITIES:</b>		
Payments on capital leases	(131)	(22)
Income tax benefit from exercise of stock options	1,056	237
Proceeds from issuance of stock, net	5,288	2,529
Net cash provided by financing activities	<u>6,213</u>	<u>2,744</u>
<b>EFFECT OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS</b>	<u>(603)</u>	<u>(929)</u>
<b>INCREASE IN CASH AND CASH EQUIVALENTS</b>	<u>9,048</u>	<u>2,560</u>
<b>CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD</b>	<u>64,540</u>	<u>50,722</u>
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	<u>\$ 73,588</u>	<u>\$53,282</u>