



## **Scanner Technologies Announces Results for First Quarter 2006**

**May 8, 9:00 am ET**

MINNEAPOLIS--May 8, 2006--Scanner Technologies Corporation (OTCBB:SCNI - News) today announced its results for its first quarter ended March 31, 2006.

Sales for the three months ended March 31, 2006, were \$865,975 compared to \$504,219 for the three months ended March 31, 2005. The sales increase in 2006 relates primarily to increased sales of the Company's VisionFlex robotic inspection systems.

The net loss for the three months ended March 31, 2006 was \$118,550, or \$.01 per share, compared to a net loss of \$913,420, or \$.08 per share in the same quarter of 2005. The change was primarily the result of increased gross profit of \$229,679 and decreased operating expenses of \$583,434 being partially offset by increased nonoperating expenses of \$17,443.

### **About Scanner Technologies Corporation:**

Scanner is a New Mexico corporation that invents, develops and markets vision inspection products that are used in the semiconductor industry for the inspection of integrated circuits. Scanner's headquarters are located in Minneapolis, Minnesota. The company has a manufacturing facility in Tempe, Arizona, and sells its products through direct sales offices in San Jose, California, and in key geographical markets, through sales representatives and distributors throughout the world. Scanner's stock is traded on the Over-The-Counter Bulletin Board under the symbol "SCNI." For more information please visit [www.scannertech.com](http://www.scannertech.com).

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# SCANNER

## TECHNOLOGIES CORPORATION

SCANNER TECHNOLOGIES CORPORATION AND SUBSIDIARY  
CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS  
(unaudited)

	Three Months Ended March 31,	
	2006	2005
REVENUES	\$ 865,975	\$ 504,219
COST OF GOODS SOLD	367,707	235,630
GROSS PROFIT	498,268	268,589
OPERATING EXPENSES		
Selling, general and administrative	568,760	639,752
Research and development	8,659	46,090
Legal fees	15,379	490,390
	592,798	1,176,232
LOSS FROM OPERATIONS	(94,530)	(907,643)
OTHER INCOME (EXPENSE)		
Interest expense	(20,450)	(6,663)
Miscellaneous	(1,570)	2,086
LOSS BEFORE INCOME TAXES	(116,550)	(912,220)
INCOME TAXES	2,000	1,200
NET LOSS	\$ (118,550)	\$ (913,420)
NET LOSS PER SHARE - BASIC AND DILUTED	\$ (0.01)	\$ (0.08)
WEIGHTED AVERAGE SHARES OUTSTANDING - BASIC AND DILUTED	12,216,068	12,028,735

# SCANNER

## TECHNOLOGIES CORPORATION

SCANNER TECHNOLOGIES CORPORATION AND SUBSIDIARY  
CONDENSED CONSOLIDATED BALANCE SHEETS

	March 31, 2006	December 31, 2005
	----- (unaudited)	----- (audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 553,126	\$ 1,168,532
Accounts receivable, less allowance of \$18,000	571,571	331,085
Inventories	1,410,858	1,620,027
Prepaid expenses	28,212	29,174
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TOTAL CURRENT ASSETS	2,563,767	3,148,818
PROPERTY AND EQUIPMENT, net	26,553	29,763
PATENT RIGHTS, net	144,085	159,523
OTHER	34,437	7,199
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	\$ 2,768,842	\$ 3,345,303
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LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank line of credit	\$ -	\$ 490,000
Accounts payable	56,987	107,643
Accrued expenses	88,856	45,177
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TOTAL CURRENT LIABILITIES	145,843	642,820
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COMMITMENTS AND CONTINGENCIES		
STOCKHOLDERS' EQUITY		
Preferred stock, no par value, 50,000,000 shares authorized; no shares issued and outstanding	-	-
Common stock, no par value, 50,000,000 shares authorized; 12,216,068 shares issued and outstanding	6,434,551	6,434,551
Warrants	724,528	724,528
Stock options	50,858	29,103
Deferred financing costs, net	(34,623)	(51,934)
Note receivable for common stock	(153,900)	(153,900)
Accumulated deficit	(4,398,415)	(4,279,865)
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	2,622,999	2,702,483
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	\$ 2,768,842	\$ 3,345,303
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