



Scanner Technologies Announces Results for Second Quarter 2006

MINNEAPOLIS--(BUSINESS WIRE)--August 11, 2006--Scanner Technologies (OTCBB:SCNI - News) today announced its results for its second quarter ended June 30, 2006.

Sales for the three months ended June 30, 2006, were \$705,762 compared to \$451,119 for the three months ended June 30, 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 June 30, 2006 was \$85,914, or \$.01 per share, compared to a net loss of \$410,698, or \$.03 per share in the same quarter of 2005. The change was primarily the result of increased gross profit of \$222,144 and decreased operating expenses of \$113,577 being partially offset by increased nonoperating expenses of \$10,837.

Sales for the six months ended June 30, 2006, were \$1,571,737 compared to \$955,338 for the six months ended June 30, 2005. The sales increase in 2006 relates primarily to increased sales of the Company's VisionFlex robotic inspection systems.

The net loss for the six months ended June 30, 2006 was \$204,464, or \$.02 per share, compared to a net loss of \$1,324,118, or \$.11 per share in the same period of 2005. The change was primarily the result of increased gross profit of \$451,823 and decreased operating expenses of \$697,011 being partially offset by increased nonoperating expenses of \$28,280.

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 and has a manufacturing facility in Tempe, Arizona. Scanner's stock is traded on the Over-The-Counter Bulletin Board under the symbol "SCNI." For more information please visit www.scannertech.com.

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SCANNER

TECHNOLOGIES CORPORATION

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

	Three Months Ended June 30,		Six Months Ended June 30,	
	2006	2005	2006	2005
REVENUES	\$ 705,762	\$ 451,119	\$ 1,571,737	\$ 955,338
COST OF GOODS SOLD	263,135	230,636	630,842	466,266
GROSS PROFIT	442,627	220,483	940,895	489,072
OPERATING EXPENSES				
Selling, general and admin	464,533	453,704	1,033,293	1,093,456
Research and development	8,598	31,670	17,257	77,760
Legal fees	38,088	139,422	53,467	629,812
	511,219	624,796	1,104,017	1,801,028
LOSS FROM OPERATIONS	(68,592)	(404,313)	(163,122)	(1,311,956)
OTHER INCOME (EXPENSE)				
Interest expense	(17,755)	(7,772)	(38,205)	(14,435)
Miscellaneous	1,233	2,087	(337)	4,173
LOSS BEFORE INCOME TAXES	(85,114)	(409,998)	(201,664)	(1,322,218)
INCOME TAXES	800	700	2,800	1,900
NET LOSS	\$ (85,914)	\$ (410,698)	\$ (204,464)	\$ (1,324,118)
NET LOSS PER SHARE	\$ (0.01)	\$ (0.03)	\$ (0.02)	\$ (0.11)
- BASIC AND DILUTED	(0.01)	(0.03)	(0.02)	(0.11)
WEIGHTED AVERAGE SHARES OUTSTANDING				
- BASIC AND DILUTED	12,216,068	12,136,818	12,216,068	12,082,776

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TECHNOLOGIES CORPORATION

SCANNER TECHNOLOGIES CORPORATION AND SUBSIDIARY
CONDENSED CONSOLIDATED BALANCE SHEETS

	June 30, 2006	December 31, 2005
	----- (unaudited)	----- (audited)
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents	\$ 564,340	\$ 1,168,532
Accounts receivable, less allowance of \$18,000	664,511	331,085
Inventories	1,323,011	1,620,027
Prepaid expenses	22,592	29,174
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TOTAL CURRENT ASSETS	2,574,454	3,148,818
PROPERTY AND EQUIPMENT, net	22,703	29,763
PATENT RIGHTS, net	128,647	159,523
OTHER	34,438	7,199
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	\$ 2,760,242	\$ 3,345,303
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LIABILITIES AND STOCKHOLDERS' EQUITY		
CURRENT LIABILITIES		
Bank line of credit	\$ -	\$ 490,000
Accounts payable	72,614	107,643
Accrued expenses	106,939	45,177
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TOTAL CURRENT LIABILITIES	179,553	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	6,436,116	6,434,551
Warrants	728,697	724,528
Stock options	71,416	29,103
Deferred financing costs, net	(17,311)	(51,934)
Note receivable for common stock	(153,900)	(153,900)
Accumulated deficit	(4,484,329)	(4,279,865)
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	2,580,689	2,702,483
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	\$ 2,760,242	\$ 3,345,303
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