

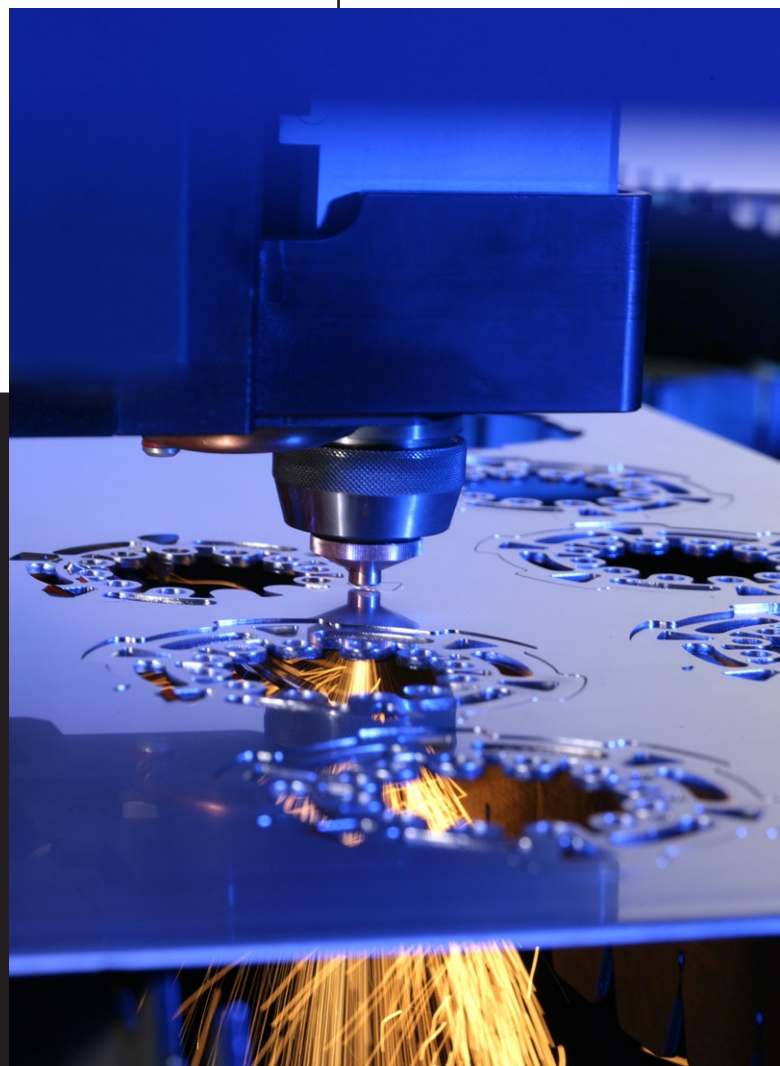
# Quarterly Report

3rd Quarter Fiscal Year 2008

Apr. 1, 2008 - Jun. 30, 2008

**ROFIN-SINAR Technologies Inc.**

NASDAQ: RSTI  
Prime Standard: ISIN US7750431022



UNITED STATES SECURITIES AND EXCHANGE COMMISSION  
Washington, D.C. 20549

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FORM 10-Q

QUARTERLY REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES AND EXCHANGE ACT OF 1934

For the quarterly period ended June 30, 2008  
OR

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(D) OF THE  
SECURITIES AND EXCHANGE ACT OF 1934

Commission file number: 000-21377

ROFIN-SINAR TECHNOLOGIES INC.

-----  
(Exact name of registrant as specified in its charter)

Delaware

38-3306461

-----  
(State or other jurisdiction of  
incorporation or organization)

-----  
(I.R.S. Employer  
Identification No.)

40984 Concept Drive, Plymouth, MI

48170

-----  
(Address of principal executive offices)

-----  
(Zip Code)

(734) 455-5400

-----  
(Registrant's telephone number, including area code)

-----  
(Former name, former address and former fiscal year,  
if changed since last report)

Indicate by check mark whether the Registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) and (2) has been subject to such filing requirements for the past 90 days. Yes  / No

Indicate by check mark whether the Registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act. Large accelerated filer  Accelerated filer  Non-accelerated filer  Smaller Reporting Company

Indicate by check mark whether the registrant is a shell Company (as defined in Rule 12b-2 of the Exchange Act). Yes  / No

28,841,619 shares of the registrant's common stock, par value \$0.01 per share, were outstanding as of August 6, 2008.

ROFIN-SINAR TECHNOLOGIES INC.

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PART I. ITEM 1. FINANCIAL INFORMATION  
Rofin-Sinar Technologies Inc. and Subsidiaries  
Condensed Consolidated Balance Sheets (Unaudited)  
(dollars in thousands, except per share amounts)

	June 30, 2008	September 30, 2007
ASSETS	-----	-----
Current Assets		
Cash and cash equivalents	\$ 93,497	\$ 118,458
Short-term investments	18,063	109,751
Accounts receivable, net of allowance for doubtful accounts of \$3,799 and \$3,206, respectively	122,829	103,660
Inventories, net (Note 5)	174,524	135,806
Other current assets and prepaid expenses	20,172	19,561
	-----	-----
Total current assets	429,085	487,236
Property and equipment, net	59,776	43,843
Goodwill (Note 6)	98,586	79,614
Other intangibles, net (Note 6)	13,186	11,382
Other assets	6,330	4,149
	-----	-----
Total assets	\$ 606,963	\$ 626,224
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Line of credit and short-term borrowings	\$ 59,337	\$ 27,952
Accounts payable, trade	27,526	18,197
Accounts payable to related party	1,175	1,222
Accrued liabilities (Note 7)	75,401	94,957
	-----	-----
Total current liabilities	163,439	142,328
Long-term debt	7,147	12,639
Pension obligations	15,402	13,324
Minority interests	2,112	3,794
Other long-term liabilities	5,903	5,216
	-----	-----
Total liabilities	194,003	177,301
Stockholders' equity		
Preferred stock, 5,000,000 shares authorized, none issued or outstanding	--	--
Common stock, \$0.01 par value, 50,000,000 shares authorized, 28,835,619 (31,141,600 at September 30, 2007) issued and outstanding (Note 1)	161	156
Additional paid-in-capital	186,893	177,048
Retained earnings	274,657	229,971
Accumulated other comprehensive income	71,245	41,748
Treasury shares, at cost, 2,829,581 shares	( 119,996)	--
	-----	-----
Total stockholders' equity	412,960	448,923
	-----	-----
Total liabilities and stockholders' equity	\$ 606,963	\$ 626,224
	=====	=====

See accompanying notes to condensed consolidated financial statements

Rofin-Sinar Technologies Inc. and Subsidiaries  
Condensed Consolidated Statements of Operations (Unaudited)  
Periods Ended June 30, 2008 and 2007  
(dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2008	2007	2008	2007
Net sales	\$ 149,667	\$ 121,378	\$ 420,957	\$ 349,185
Cost of goods sold	86,737	69,642	238,715	202,348
Gross profit	62,930	51,736	182,242	146,837
Selling, general, and administrative expenses	27,297	22,060	78,888	64,356
Research and development expenses	10,939	7,385	29,879	20,643
Amortization expense	1,192	1,129	5,839	3,024
Income from operations	23,502	21,162	67,636	58,814
Other (income) expense:				
Interest, net	( 86)	( 1,262)	( 2,959)	( 3,581)
Foreign currency (gains)/losses	( 292)	( 367)	5,124	202
Other income	( 285)	( 134)	( 693)	( 457)
Income before income taxes and minority interest	24,165	22,925	66,164	62,650
Income tax expense	7,872	8,331	21,901	23,088
Income before minority interest	16,293	14,594	44,263	39,562
Minority interest, net of tax	196	300	491	700
Net income	\$ 16,097	\$ 14,294	\$ 43,772	\$ 38,862
Earnings per share (Note 12):				
Basic	\$ 0.55	\$ 0.46	\$ 1.46	\$ 1.26
Diluted	\$ 0.54	\$ 0.45	\$ 1.42	\$ 1.23
Weighted average shares used in computing earnings per share (Note 12):				
Basic	29,333,431	31,045,058	29,900,000	30,922,868
Diluted	29,912,358	31,874,632	30,758,930	31,704,918
	29,912,358	31,874,632	30,758,930	31,704,918

See accompanying notes to condensed consolidated financial statements

Rofin-Sinar Technologies Inc. and Subsidiaries  
Condensed Consolidated Statements Of Stockholders' Equity and Comprehensive Income (Unaudited)  
Nine months ended June 30, 2008 and 2007  
(dollars in thousands)

	Common Stock Par Value	Treasury Stock	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	-----	-----	-----	-----	-----	-----
BALANCES at September 30, 2007	\$ 156	\$ --	\$ 177,048	\$ 229,971	\$ 41,748	\$ 448,923
Adoption of FIN 48	--	--	--	914	--	914
						-----
Adjusted Balance						449,837
Comprehensive income:						
Fair value of interest swap agreement	--	--	--	--	( 99)	( 99)
Foreign currency translation adjustment	--	--	--	--	29,596	29,596
Net income	--	--	--	43,772	--	43,772
						-----
Total comprehensive income						73,269
Common stock issued in connection with:						
Stock incentive plans	5	--	9,845	--	--	9,850
Less common shares held in treasury, at cost	--	(119,996)	--	--	--	(119,996)
	-----	-----	-----	-----	-----	-----
BALANCES at June 30, 2008	\$ 161	\$(119,996)	\$ 186,893	\$ 274,657	\$ 71,245	\$ 412,960
	=====	=====	=====	=====	=====	=====
BALANCES at September 30, 2006	\$ 154	--	\$ 167,446	\$ 174,694	\$ 16,146	\$ 358,440
Comprehensive income:						
Fair value of interest swap agreement	--	--	--	--	62	62
Foreign currency translation adjustment	--	--	--	--	13,363	13,363
Net income	--	--	--	38,862	--	38,862
						-----
Total comprehensive income						52,287
Common stock issued in connection with:						
Stock incentive plans	2	--	7,886	--	--	7,888
	-----	-----	-----	-----	-----	-----
BALANCES at June 30, 2007	\$ 156	--	\$ 175,332	\$ 213,556	\$ 29,571	\$ 418,615
	=====	=====	=====	=====	=====	=====

See accompanying notes to condensed consolidated financial statements

Rofin-Sinar Technologies Inc. and Subsidiaries  
Condensed Consolidated Statements of Cash Flows (Unaudited)  
Nine Months Ended June 30, 2008 and 2007  
(dollars in thousands)

	Nine Months Ended June 30,	
	2008	2007
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 43,772	\$ 38,862
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	12,675	7,718
Stock-based compensation expenses	4,278	4,029
Other adjustments	( 823)	733
Change in operating assets and liabilities:		
Accounts receivable, trade	( 8,389)	( 4,270)
Inventories	( 23,853)	( 6,040)
Accounts payable	6,565	3,696
Changes in other operating assets and liabilities	( 27,327)	( 21,667)
Net cash provided by operating activities	6,898	50,959
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from the sale of property and equipment	683	318
Additions to property and equipment	( 11,118)	( 4,913)
Purchases of short-term investments	( 132,547)	(115,981)
Sales of short-term investments	224,558	97,588
Acquisition of business, net of cash acquired	( 30,150)	( 5,411)
Net cash provided by (used in) investing activities	51,426	( 28,399)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings from banks	47,888	3,106
Repayment to banks	( 25,702)	( 8,856)
Purchase of treasury stock	( 119,996)	--
Issuance of common stock	4,567	3,470
Excess tax benefit from stock options	567	131
Net cash used in financing activities	( 92,676)	( 2,149)
Effect of foreign currency translation on cash	9,391	4,158
Net increase (decrease) in cash and cash equivalents	( 24,961)	24,569
Cash and cash equivalents at beginning of period	118,458	75,395
Cash and cash equivalents at end of period	\$ 93,497	\$ 99,964
Cash paid for interest	\$ 1,253	\$ 1,140
Cash paid for taxes	\$ 47,786	\$ 14,447

See accompanying notes to condensed consolidated financial statements

Rofin-Sinar Technologies Inc. and Subsidiaries  
Notes to Condensed Consolidated Financial Statements (Unaudited)  
(dollars in thousands)

1. Basis of Presentation

The accompanying unaudited, condensed and consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial reporting, and with instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, the condensed consolidated financial statements for interim reporting do not include all of the information and notes or disclosures required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and such adjustments are of a normal recurring nature. Results for interim periods should not be considered indicative of results for a full year. The September 30, 2007 condensed consolidated balance sheet was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. For further information, refer to the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2007 as filed with the Securities and Exchange Commission on November 29, 2007.

On November 7, 2007, the Board of Directors approved a 2-for-1 stock split. The stock split was in the form of a dividend of one share of Common Stock on each outstanding share and the distribution date was December 5, 2007, for shareholders of record as of November 22, 2007. All share and per share amounts disclosed in the Condensed Consolidated Balance Sheet and Statement of Operations and Notes 10, 11 and 12 to the Condensed Consolidated Financial Statements have been adjusted to reflect the 2-for-1 stock split. The Board also approved a stock buyback plan.

2. New Accounting Pronouncements

In December 2007, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standards ("SFAS") No. 141 (Revised 2007), "Business Combinations". SFAS 141(R) retains the fundamental requirements of the original pronouncement requiring that the purchase method be used for all business combinations. SFAS 141(R) defines the acquirer as the entity that obtains control of one or more businesses in the business combination, establishes the acquisition date as the date that the acquirer achieves control and requires the acquirer to recognize the assets acquired, liabilities assumed and any noncontrolling interest at their fair values as of the acquisition date. In addition, SFAS 141(R) requires expensing of acquisition-related and restructure-related costs, remeasurement of earn out provisions at fair value, measurement of equity securities issued for purchase at the date of close of the transaction and non-expensing of in-process research and development related intangibles. SFAS 141(R) is effective for the Company's business combinations for which the acquisition date is on or after October 1, 2009. The Company is currently evaluating the impact of the implementation of SFAS No. 141(R) on its consolidated financial position, results of operations and cash flows.

In September 2006, the FASB issued SFAS No. 157, "Fair Value Measurements", ("SFAS 157"). SFAS 157 establishes a framework for measuring fair value and expands disclosures about fair value measurements. The changes to current practice resulting from the application of this Statement relate to the definition of fair value, the methods used to measure fair value, and the expanded disclosures about fair value measurements. SFAS 157 will be effective beginning in the Company's first quarter of fiscal year 2009. We do not believe that the adoption of the provisions of SFAS 157 will materially impact our consolidated financial position and results of operations.

In February 2008, the FASB issued FASB Staff Position ("FSP") No. FAS 157-1, "Application of FASB Statement No. 157 to FASB Statement No. 13 and Other Accounting Pronouncements That Address Fair Value Measurements for Purposes of Lease Classification or Measurement under Statement 13". FSP 157-1 amends SFAS 157 to exclude from its scope SFAS 13, "Accounting for Leases", and other accounting pronouncements that address fair value measurements for purposes of lease classification or measurement under SFAS 13.

In February 2008, the FASB issued FSP No. 157-2, "Effective Date of FASB Statement No. 157", which defers the effective date of SFAS 157 for nonfinancial assets and nonfinancial liabilities, except for items that are recognized or disclosed at fair value in an entity's financial statements on a recurring basis (at least annually), to the Company's first quarter of fiscal year 2010.

In February 2007, the FASB issued Statement of Financial Accounting Standards No. 159, "The Fair Value Option for Financial Assets and Financial Liabilities Including an Amendment of FASB Statement No. 115" ("SFAS 159"). SFAS 159 permits entities to choose to measure many financial instruments and certain other opportunity to mitigate volatility in reported earnings caused by measuring related assets and liabilities differently. The Statement is effective for fiscal years beginning after November 15, 2007. The Company is currently evaluating the requirements of SFAS 159 on its consolidated financial position and results of operations.

In December 2007, the FASB issued SFAS No. 160, "Noncontrolling Interests in Consolidated Financial Statements an amendment of ARB No. 51". This Statement amends ARB 51 to establish accounting and reporting standards for the noncontrolling interest in a subsidiary and for the deconsolidation of a subsidiary. It clarifies that a noncontrolling interest in a subsidiary is an ownership interest in the consolidated entity that should be reported as equity in the consolidated financial statements. It requires consolidated net income to be reported at amounts that include the amounts attributable to both the parent and the noncontrolling interest. This Statement establishes a single method of accounting for changes in a parent's ownership interest in a subsidiary that do not result in deconsolidation. SFAS No. 160 is effective for the Company's fiscal year beginning October 1, 2009. The Company is currently evaluating the impact of the implementation of SFAS 160 on its consolidated financial position, results of operations and cash flows.

In March 2008, the FASB released SFAS No. 161, "Disclosures about Derivative Instruments and Hedging Activities." SFAS 161 requires additional disclosures related to the use of derivative instruments, the accounting for derivatives and the financial statement impact of derivatives. SFAS 161 is effective for fiscal years and interim periods beginning after November 15, 2008. The Company is currently assessing the impact the adoption of SFAS 161 will have on the Company's consolidated financial statements.

In May 2008, the FASB issued SFAS No. 162, "The Hierarchy of Generally Accepted Accounting Principles" ("SFAS 162"), which identifies the sources of accounting principles and the framework for selecting the principles to be used in the preparation of financial statements of nongovernmental entities that are presented in conformity with generally accepted accounting principles (GAAP) in the United States (the GAAP hierarchy). SFAS 162 is effective 60 days following the SEC's approval of the Public Company Accounting Oversight Board amendments to AU Section 411, "The Meaning of Present Fairly in Conformity with Generally Accepted Accounting Principles." The Company does not expect the adoption of SFAS 162 to have a material effect on its consolidated financial statements.

### 3. Cash Equivalents and Short-term Investments

Cash equivalents consist of financial instruments that are readily convertible into cash and have original maturities of three months or less at the time of acquisition.

Short-term investments totaling \$18.1 million and \$109.8 million at June 30, 2008 and September 30, 2007, respectively, mainly include auction rate securities and deposits with banks. Auction rate securities are variable rate securities tied to short-term interest rates with maturities on the face of the securities in excess of 90 days. Auction rate securities have rate resets through a modified Dutch auction, at predetermined short-term intervals, usually every 7, 28, 35, or 49 days. The securities trade at par, and are callable at par on any payment date at the option of the issuer. Investment earnings paid during a given period are based upon the reset rate determined during the prior auction.

Although these securities are issued and rated as long-term securities, they are priced and traded as short-term instruments because of the liquidity provided through the interest rate reset.

At June 30, 2008, the Company classified its auction rate securities totaling \$11.6 million as current assets. Although there was a disruption in credit markets that caused the auction mechanism to fail to set market-clearing rates and provide liquidity for sellers, the Company believes that they will be sold within the next 12 months at par value. A failed auction does not represent a default by the issuer of the underlying security. All of the Company's auction rate securities are rated AAA/Aaa, are collateralized by student loans substantially guaranteed by the U.S. government and continue to pay interest in accordance with their contractual terms. At June 30, 2008, the recorded values of the auction rate securities approximate their par values.

"Purchases of short-term investments" and "Sales of short-term investments" included in the accompanying consolidated statements of cash flows, have been included to reflect the gross purchases and gross sales of auction rate securities during the periods presented. The Company has supplied this information based on actual purchases and sales of short-term investments and not on rate resets of held investments.

#### 4. Acquisitions and Formation of New Entities

Effective December 3, 2007, the Company purchased the remaining 19% of the share capital of Rofin-Sinar U.K. Ltd. through Rofin-Sinar Technologies Europe S.L. under an option agreement between the Company and the former minority shareholders. The Company now holds 100% of the share capital of Rofin-Sinar U.K. Ltd. This purchase resulted in goodwill of \$5.6 million.

Effective January 24, 2008, the Company purchased Nufern, one of the world's largest independent manufacturers of specialty fibers and fiber laser modules serving a wide range of industries, as a wholly-owned subsidiary of Rofin-Sinar Technologies Inc. This purchase resulted in goodwill of \$6.6 million.

The acquisition of Nufern is accounted for as a purchase business combination. Assets acquired and liabilities assumed are recorded in the accompanying condensed consolidated balance sheet at their estimated fair values at January 24, 2008. The Company is in the process of finalizing its valuation of the identified intangible assets related to this acquisition. To the extent the final valuation is different from the Company's preliminary assessment of fair value, a purchase price adjustment will be made, which could impact the amount of goodwill recorded.

Nufern was purchased with cash and the Company is contingently obligated to make an additional amount in potential earn out payments based on Nufern achieving specific financial performance metrics through calendar year 2008.

During the quarter ended June 30, 2008, the Company formed Dilas Diodelaser China Company Ltd. in Nanjing, China through its 95% owned subsidiary Dilas Diodenlaser GmbH.

During the quarter ended June 30, 2008, the Company formed Nanjing Eastern Marking Laser Company Ltd. in Nanjing, China as an 80% owned subsidiary.

See Footnote 16 for information concerning an additional entity formed subsequent to the quarter ended June 30, 2008.

## 5. Inventories

Inventories are stated at the lower of cost or market, after provisions for excess and obsolete inventory salable at prices below cost. Costs are determined using the first in, first out and weighted average cost methods and are summarized as follows:

	June 30, 2008	September 30, 2007
Finished goods	\$ 29,832	\$ 19,630
Work in progress	38,956	33,043
Raw materials and supplies	60,991	43,103
Demonstration inventory	17,029	15,170
Service parts	27,716	24,860
	-----	-----
Total inventories, net	\$ 174,524	\$ 135,806
	=====	=====

Net inventory is net of provisions for excess and obsolete inventory of \$18,385 and \$15,441 at June 30, 2008 and September 30, 2007, respectively.

## 6. Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill for the nine-month period ended June 30, 2008 are as follows:

	Germany	North America	Other	Total
Balance as of September 30, 2007	\$ 45,570	\$ 10,218	\$ 23,826	\$ 79,614
Additional goodwill from acquisition	--	6,608	5,650	12,258
Currency translation difference	4,765	358	1,591	6,714
	-----	-----	-----	-----
Balance as of June 30, 2008	\$ 50,335	\$ 17,184	\$ 31,067	\$ 98,586
	=====	=====	=====	=====

The carrying values of other intangible assets are as follows:

	June 30, 2008		September 30, 2007	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized Intangible Assets:				
Patents	\$ 10,724	\$ 4,615	\$ 8,468	\$ 3,723
Customer base	15,709	14,234	14,756	12,334
Other	18,168	12,566	11,780	7,565
	-----	-----	-----	-----
Total	\$ 44,601	\$ 31,415	\$ 35,004	\$ 23,622
	=====	=====	=====	=====

Amortization expense for the three-month periods ended June 30, 2008 and 2007 was \$1.2 million and \$1.1 million, respectively. At June 30, 2008, estimated amortization expense for the remainder of fiscal 2008 and the next five fiscal years based on the average exchange rates as of June 30, 2008, is as follows:

2008 (remainder)	\$ 1.0 million
2009	3.8 million
2010	1.5 million
2011	1.3 million
2012	1.2 million
2013	1.2 million

## 7. Accrued Liabilities

Accrued liabilities are comprised of the following:

	June 30, 2008	September 30, 2007
	-----	-----
Employee compensation	\$ 21,724	\$ 20,611
Warranty reserve	12,912	12,269
Customer deposits	15,394	12,933
Income taxes payable	7,739	33,046
Other	17,632	16,098
	-----	-----
Total accrued liabilities	\$ 75,401	\$ 94,957
	=====	=====

## 8. Income Taxes

On October 1, 2007, the Company adopted the provisions of the Financial Accounting Standard Board ("FASB") Interpretation ("FIN") No. 48, Accounting for Uncertainty in Income Taxes. FIN No. 48 heightens the threshold for recognizing and measuring tax benefits and requires enterprises to make explicit disclosures about uncertainties in their income tax positions, including a detailed roll-forward of tax benefits taken that do not qualify for financial statement recognition. As a result of the implementation of Interpretation No. 48, the Company recorded a decrease of \$0.9 million to reserves for income taxes, with a corresponding increase to retained earnings as of October 1, 2007. As of the date of adoption and after recognizing the impact of FIN 48, the Company's gross unrecognized tax benefits totaled \$0.2 million.

The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as interest expense and SG&A, respectively. As of the date of adoption of FIN 48, an amount of interest and penalties included in the \$0.2 million of unrecognized tax benefits noted above is approximately \$0.1 million.

Consistent with the provisions of FIN 48, the Company classified the unrecognized tax benefit as non-current because payment is not anticipated within one year of the balance sheet date.

In the quarter ended June 30, 2008, the Company increased the unrecognized tax benefit by \$0.5 million. The increase was due to tax developments, primarily related to the U.S. operations, which impacted our valuation of uncertain tax positions.

The Company files federal and state income tax returns in several domestic and foreign jurisdictions. In most tax jurisdictions, returns are subject to examination by the relevant tax authorities for a number of years after the returns have been filed. With limited exception, the Company is no longer subject to examination by the United States Internal Revenue Service for years through 2004. With respect to state and local tax jurisdictions and countries outside the United States, with limited exceptions the Company is no longer subject to income tax audits for years before 2002.

As of June 30, 2008 the Company's gross unrecognized tax benefits totaled \$0.7 million which includes approximately \$0.1 million of interest and penalties. Approximately \$0.6 million of unrecognized tax benefits would impact the effective tax rate, if recognized. The Company estimates that the unrecognized tax benefits will not change significantly within the next year.

#### 9. Product Warranties

The Company provides for the estimated costs of product warranties when revenue is recognized. The estimate of costs to fulfill warranty obligations is based on historical experience and an expectation of future conditions.

The change in warranty reserves for the nine-month periods ended June 30, 2008 and 2007 are as follows:

	2008	2007
	-----	-----
Balance at September 30,	\$ 12,269	\$ 11,754
Additional accruals for warranties during the period	2,441	2,128
Usage during the period	( 2,922)	( 2,277)
Currency translation	1,124	670
	-----	-----
Balance at June 30,	\$ 12,912	\$ 12,275
	=====	=====

## 10. Treasury Stock

On November 7, 2007, the Board of Directors approved a 2-for-1 stock split and a stock buyback plan. The stock split was in the form of a dividend of one share of Common Stock on each outstanding share and the distribution date was December 5, 2007, for shareholders of record as of November 22, 2007. The buyback program authorizes the repurchase of up to \$120 million of the Company's Common Stock, or approximately 10% of the shares of Common Stock then outstanding based on then current market prices. The share buyback program was authorized to begin November 15, 2007. The shares may be repurchased from time to time in open market transactions or privately negotiated transactions at the Company's discretion, including the quantity, timing and price thereof. As of June 30, 2008, the Company has bought approximately 2.8 million shares of common stock, at an average price of \$42.41, under the stock buyback program for a total amount of \$120.0 million, with no remaining shares to be repurchased.

## 11. Stock Incentive Plans

The Company maintains an Incentive Stock Plan, whereby incentive and non-qualified stock options, restricted stock and performance shares may be granted to officers and other key employees to purchase a specified number of shares of common stock at a price not less than the fair market value on the date of grant. The term of the Equity Incentive Plan continues through 2017. There were no incentive stock options, restricted stock or performance shares granted in fiscal year 2007 or 2006. Non-qualified stock options were granted to officers and other key employees in fiscal years 2007 and 2006. Options generally vest over five years and will expire not later than ten years after the date on which they are granted.

SFAS No. 123 "Accounting for Stock-Based Compensation" requires all share-based payments to employees, including grants of employee stock options, to be recognized in the financial statements based on the fair-value method as defined in SFAS No. 123. SFAS No. 123R requires excess tax benefits to be reported as a financing cash inflow rather than as a reduction of taxes paid.

For the current quarter, in compliance with SFAS No. 123(R), the Company recorded expense of \$1.6 million for the portion of stock-based compensation arrangements which vested during the period.

The fair value of each option award is estimated on the date of grant using the Black-Scholes model.

The following assumptions were used in the determination of compensation cost under the provisions of SFAS No. 123:

	2008 Grants	2007 Grants
	-----	-----
Weighted average grant date fair value	\$18.51	\$28.50
Expected life	5 Years	5 Years
Volatility	48.1%	50.0%
Risk-free interest rate	2.36%	4.47%
Dividend yield	0%	0%
Annual forfeiture rate	2%	4%

No stock options were granted in the three-month period ended June 30, 2008. The Company uses historical data to estimate the expected life, volatility, and estimated forfeitures of an option. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant.

The balance of outstanding stock options and all options activity at and for the nine months ended June 30, 2008 are as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in millions)
	-----	-----	-----	-----
Balance at				
September 30, 2007	2,824,000	\$ 18 3/7	7.22	\$ 47.1
Granted	321,250	--		
Exercised	( 511,600)	9		
Cancelled	--	--		
Forfeited	( 4,600)	24 1/8		
	-----	-----	-----	-----
Balance at				
June 30, 2008	2,629,050	\$ 23	7.33	\$ 19.1
Exercisable at				
June 30, 2008	1,087,900	\$ 16 3/5	6.23	\$ 14.8

As of June 30, 2008 there was \$18.3 million of total unrecognized compensation costs related to stock options. These costs are expected to be recognized over a weighted average period of 3.48 years.

During the three-month and nine-month periods ended June 30, 2008 and 2007, the following activity occurred under the plan:

(in millions)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2008	2007	2008	2007
Total intrinsic value of stock options exercised	\$ 2.3	\$ 4.5	\$ 16.5	\$ 7.7

Cash received from stock option exercises for the three month and nine-month periods ended June 30, 2008 was \$1.1 million and \$4.6 million, respectively.

## 12. Earnings Per Common Share

Basic earnings per common share (EPS) is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per common share reflects the potential dilution from common stock equivalents (stock options).

The calculation of the weighted number of common shares outstanding for each period is as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2008	2007	2008	2007
Weighted average number of shares for BASIC net income per common share	29,333,431	31,045,058	29,900,000	30,922,868
Potential additional shares due to outstanding dilutive stock options	578,927	829,574	858,930	782,050
Weighted average number of shares for DILUTED net income per common share	29,912,358	31,874,632	30,758,930	31,704,918

### 13. Defined Benefit Plans

Components of net periodic cost were as follows for the three-month and nine-month periods ended June 30, 2008 and 2007:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2008	2007	2008	2007
Service cost	\$ 211	\$ 187	\$ 625	\$ 554
Interest cost	273	201	803	595
Expected return on plan assets	( 106 )	( 81 )	( 317 )	( 243 )
Amortization of net loss	--	7	--	19
Net periodic pension cost	\$ 378	\$ 314	\$ 1,111	\$ 925

### 14. Segment and Geographic Information

The Company manages its business under geographic regions that are aggregated together as one segment in the global industrial laser industry. Sales from these regions have similar long-term financial performance and economic characteristics. The products from these regions utilize similar manufacturing processes and use similar production equipment, which may be interchanged from group to group. The Company distributes, sells and services final product to the same type of customers from all regions.

Assets, net sales, and income before taxes and minority interest, by geographic region are summarized below:

	June 30, 2008	September 30, 2007
ASSETS		
North America	\$ 199,689	\$ 248,912
Germany	418,521	391,081
Other	218,702	187,991
Intercompany eliminations	( 229,949 )	( 201,760 )
	\$ 606,963	\$ 626,224
LONG-LIVED ASSETS		
North America	\$ 14,940	\$ 7,339
Germany	36,569	29,479
Other	8,306	7,121
Intercompany eliminations	( 39 )	( 96 )
	\$ 59,776	\$ 43,843

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2008	2007	2008	2007
<b>NET SALES</b>				
North America	\$ 40,920	\$ 26,084	\$ 103,589	\$ 85,713
Germany	118,471	99,680	344,023	278,992
Other	47,214	40,972	136,229	117,759
Intercompany eliminations	( 56,938)	( 45,358)	(162,884)	(133,279)
	<u>\$ 149,667</u>	<u>\$ 121,378</u>	<u>\$ 420,957</u>	<u>\$ 349,185</u>
	=====	=====	=====	=====
<b>INTERCOMPANY SALES</b>				
North America	\$ 1,125	\$ 1,154	\$ 3,056	\$ 3,697
Germany	45,798	35,235	129,034	105,681
Other	10,015	8,969	30,794	23,901
Intercompany Eliminations	( 56,938)	( 45,358)	(162,884)	(133,279)
	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
	=====	=====	=====	=====
<b>EXTERNAL SALES</b>				
North America	\$ 39,795	\$ 24,930	\$ 100,533	\$ 82,015
Germany	72,673	64,445	214,989	173,311
Other	37,199	32,003	105,435	93,859
	<u>\$ 149,667</u>	<u>\$ 121,378</u>	<u>\$ 420,957</u>	<u>\$ 349,185</u>
	=====	=====	=====	=====
<b>INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST</b>				
North America	\$( 41)	\$ 811	\$ 443	\$ 2,713
Germany	19,815	19,041	60,171	51,636
Other	4,166	3,945	11,072	11,082
Intercompany eliminations	225	( 872)	( 5,522)	( 2,781)
	<u>\$ 24,165</u>	<u>\$ 22,925</u>	<u>\$ 66,164</u>	<u>\$ 62,650</u>
	=====	=====	=====	=====

15. Enterprise Wide Information

The Company derives revenues from the sale and servicing of laser products used for macro applications, from the sale and servicing of laser products for marking and micro applications, and from the sale of components products. Product sales are summarized below:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2008	2007	2008	2007
Macro applications	\$ 60,284	\$ 52,352	\$ 181,713	\$ 146,883
Marking and micro applications	71,302	57,467	196,398	170,753
Components	18,081	11,559	42,846	31,549
	\$ 149,667	\$ 121,378	\$ 420,957	\$ 349,185

16. Subsequent Events

Formation of Rofin-Baasel Swiss AG

Effective July 1, 2008 the Company formed Rofin-Baasel Swiss AG in Biel, Switzerland as a wholly owned subsidiary through its wholly owned subsidiary Rofin-Sinar Technologies Europe S.L.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF  
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as "may", "believe", "will", "expect", "project", "anticipate", "estimate", "plan" or "continue" or other words or terms of similar meaning. These forward-looking statements are based on the current plans and expectations of our management and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations, as well as future results of operations and financial condition. In making these forward-looking statements, we claim the protection of the safe-harbor for forward-looking statements contained in the Reform Act. We do not assume any obligation to update these forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting such forward-looking statements.

Overview

Rofin-Sinar Technologies Inc. (herein also referred to as "Rofin-Sinar", or the "Company" or "we", "us" or "our") is a leader in the design, development, engineering, manufacture and marketing of laser-based products used for cutting, welding and marking a wide range of materials.

Through our global manufacturing, distribution and service network, we provide a comprehensive range of laser sources and laser-based system solutions to three principal target markets: the machine tool, automotive, and semiconductor/electronics industries. We sell principally to end-users and original equipment manufacturers ("OEMs") (principally in the machine tool industry) that integrate our laser sources with other system components. Many of our customers are among the largest global participants in their respective industries.

During the third quarter of fiscal years 2008 and 2007, respectively, we derived approximately 40% and 43% of revenues from the sale and servicing of laser products used for macro applications, approximately 48% and 47% from the sale and servicing of laser products for marking and micro applications, and approximately 12% and 10% from the sale of components.

With a record order backlog and a wide product portfolio servicing a highly diversified customer base, we are confident about our prospects in the near future. The softening of the demand for our macro products from the machine tool industry should be offset by higher demand for our micro and marking laser products, together with increased contribution from the components business.

At June 30, 2008, Rofin-Sinar had 1,746 employees compared to 1,574 employees at June 30, 2007.

## Results of Operations

For the periods indicated, the following table sets forth the percentage of net sales represented by the respective line items in the Company's consolidated statements of operations.

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2008	2007	2008	2007
Net sales	100%	100%	100%	100%
Cost of goods sold	58%	57%	57%	58%
Gross profit	42%	43%	43%	42%
Selling, general and administrative expenses	18%	18%	19%	18%
Research and development expenses	7%	6%	7%	6%
Intangibles amortization	1%	1%	1%	1%
Income from operations	16%	17%	16%	17%
Income before income taxes and minority interest	16%	19%	16%	18%
Net income	11%	12%	10%	11%

Net Sales - Net sales of \$149.7 million and \$421.0 million represent increases of \$28.3 million, or 23%, and \$71.8 million, or 21%, for the three-month and nine-month periods ended June 30, 2008, as compared to the corresponding periods in fiscal 2007. The increase, for the three months ended June 30, 2008, resulted from a net sales increase of \$13.4 million, or 14%, in Europe and Asia, and an increase of \$14.9 million, or 60%, in North America, compared to the corresponding period in fiscal 2007. The increase for the nine months ended June 30, 2008, compared to the corresponding period in fiscal 2007, resulted from a net sales increase of \$53.3 million, or 20%, in Europe and Asia, and an increase of \$18.5 million, or 23%, in North America. The U.S. dollar weakened against foreign currencies, primarily against the Euro, which had a favorable effect on net sales of \$10.9 million and \$37.5 million for the three-month and nine-month periods ended June 30, 2008.

Net sales of laser products for macro applications increased by \$7.9 million, or 15%, to \$60.3 million and by \$34.8 million, or 24%, to \$181.7 million for the three-month and nine-month periods ended June 30, 2008 as compared to the corresponding periods of fiscal 2007. The increase can be mainly attributed to the higher demand for lasers for macro applications in the automotive and sub-supplier industries and for CO2 lasers with higher output power to the machine tool industry.

Net sales of lasers for marking and micro applications increased by \$13.9 million, or 24%, to \$71.3 million for the three months ended June 30, 2008 and by \$25.7 million, or 15%, to \$196.4 million for the nine months ended June 30, 2008 as compared to the corresponding periods in fiscal 2007. The increase can be mainly attributed to the higher demand for our lasers for micro and marking applications principally in the photovoltaic and semiconductor and electronics industries.

Revenues for the components business increased by \$6.5 million, or 56%, to \$18.1 million for the three months ended June 30, 2008 and by \$11.3 million, or 36%, to \$42.8 million for the nine months ended June 30, 2008, mainly due to the recent acquisition and the higher demand for our laser diode products.

Gross Profit - Our gross profit of \$62.9 million and \$182.2 million for the three-month and the nine-month periods ended June 30, 2008 represents increases of \$11.2 million, or 22%, and \$35.4 million, or 24%, from the corresponding periods of fiscal year 2007. As a percentage of sales, gross profit decreased slightly from 43% to 42% for the three-month period ended June 30, 2008, as compared to the corresponding period in fiscal year 2007 and increased from 42% to 43% for the nine-month period ended June 30, 2008, as compared to the corresponding period in fiscal year 2007. The changes in gross profit are mainly a result of a different product mix and a higher percentage of sales related to our components business. The gross profit for the quarter ended June 30, 2008, was negatively affected by high volume orders in the micro business. Gross profit was favorably affected by \$3.4 million and \$12.9 million for the three-month and nine-month periods ended June 30, 2008, respectively, due to the weakening of the U.S. dollar against foreign currencies, primarily against the Euro.

Selling, General and Administrative Expenses - Selling, general and administrative ("SG&A") expenses of \$27.3 million and \$78.9 million for the three-month and nine-month periods ended June 30, 2008 represent increases of \$5.2 million, or 24%, and \$14.5 million, or 23%, from the corresponding periods of fiscal 2007. The increase in SG&A expenses is mainly a result of our increased selling and marketing activities in Asia and additional SG&A expenses from the recent acquisitions. SG&A, a significant portion of which is incurred in foreign currencies, was unfavorably affected by \$1.0 million and \$6.3 million for the three-month and nine-month periods ended June 30, 2008, respectively, due to the weakening of the U.S. dollar against foreign currencies, primarily the Euro.

Research and Development - The Company spent net \$10.9 million and \$29.9 million on research and development ("R&D") during the three-month and nine-month periods ended June 30, 2008, which represents an increase of 48% and 45% as compared to the corresponding periods of the prior year. The increase in R&D is mainly attributable to the recent acquisitions and relates to investments in new technology. Gross R&D expenses for the three-month periods ended June 30, 2008 and 2007 were \$11.0 million and \$8.1 million, respectively, and were reduced by \$0.1 million and \$0.7 million of government grants during each respective period. Gross R&D expenses for the nine-month periods ended June 30, 2008 and 2007 were \$30.8 million and \$22.2 million, respectively, and were reduced by \$0.9 million and \$1.6 million of government grants during each respective period. R&D, a significant portion of which is conducted in Europe, and therefore incurred in foreign currencies, was unfavorably affected by \$0.3 million and \$3.1 million for the three-month and nine-month periods ended June 30, 2008, due to the weakening of the U.S. dollar against foreign currencies, primarily the Euro.

Amortization expense - Amortization expense for the three-month and nine-month periods ended June 30, 2008 amounted to \$1.2 million and \$5.8 million, respectively. This represents an increase of \$0.1 million for the three-month period and of \$2.8 million for the nine-month period when compared to the same periods of fiscal year 2007, mainly due to higher amortization of intangible assets related to the recent acquisition.

Other Income/Expenses - Net other income of \$0.7 million for the three-month period ended June 30, 2008 represents a decrease of \$1.1 million compared to net other income of \$1.8 million in the corresponding period of the prior year. Net other expenses of \$1.5 million for the nine-month period ended June 30, 2008 represents an increase of \$5.3 million in net other expenses compared to net other income of \$3.8 million the corresponding period of the prior year. Net interest income, within this category, includes \$0.8 million of interest income offset by \$0.7 million of interest expense for the three months ended June 30, 2008 and \$4.4 million of interest income offset by \$1.5 million of interest expense for the nine-month ended June 30, 2008. The decrease in net other income is primarily attributable to lower net interest income of \$0.1 million for the three-month period ended June 30, 2008 compared to \$1.3 million in the corresponding period of the prior year due to the Company's stock buyback program. The increase in net other expenses in the nine-month period ended June 30, 2008 is primarily attributable to higher exchange losses of \$5.1 million and lower net interest income of \$3.0 million due to the Company's stock buyback program.

Income Tax Expense - Income tax expense of \$7.9 million and \$21.9 million for the three-month and nine-month periods ended June 30, 2008 represents an effective tax rate of 33% for the three-month and the nine-month periods, compared to 36% and 37% for the corresponding periods of the prior year. The lower overall effective income tax rate is primarily the result of German tax law changes, resulting in lower income tax rates in Germany, partly offset in the nine month period ended June 30, 2008 by non deductible amortization expenses related to our most recent acquisition. Income tax expense, a significant portion of which is incurred in foreign currencies, was unfavorably affected by \$1.2 million and \$2.5 million for the three-month and nine-month periods ended June 30, 2008 due to the weakening of the U.S. dollar against foreign currencies, primarily the Euro.

Net Income - As a result of the foregoing factors, the Company realized consolidated net income of \$16.1 million and \$43.8 million for the three-month and nine-month periods ended June 30, 2008, which represents an increase of \$1.8 million for the three-month and \$4.9 million for the nine-month from the corresponding periods in fiscal 2007. For the three-month period ended June 30, 2008, basic and diluted net income per common share equaled \$0.55 and \$0.54, respectively, based upon a weighted average of 29.3 million and 29.9 million common shares outstanding, as compared to basic and diluted net income per common share of \$0.46 and \$0.45, respectively, for the three-month period ended June 30, 2007, based upon a weighted average of 31.0 million and 31.9 million common shares outstanding.

## Liquidity and Capital Resources

On November 7, 2007, the Board of Directors approved a stock buyback plan which authorizes the repurchase of up to \$120 million of the Company's Common Stock, or approximately 10% of the shares of Common Stock then outstanding based on then current market prices. The share buyback program was authorized to begin November 15, 2007. The shares may be repurchased from time to time in open market transactions or privately negotiated transactions at the Company's discretion, including the quantity, timing and price thereof. As of June 30, 2008, the Company has bought approximately 2.8 million shares of common stock, under our buyback program for a total amount of \$120.0 million, with no remaining shares to be repurchased.

The Company's primary sources of liquidity at June 30, 2008 were cash and cash equivalents of \$93.5 million, short-term investments of \$18.1 million which include \$11.6 million auction rate securities, an annually renewable \$25.0 million line of credit with Deutsche Bank AG and several other lines of credit to support foreign subsidiaries in their local currencies in an aggregate amount of \$104.0 million (translated at the applicable exchange rate at June 30, 2008). As of June 30, 2008, \$6.7 million, which is due in the short term, was outstanding under the Deutsche Bank facility and \$19.7 million (of which \$12.6 million is due in the short term) under other lines of credit. Approximately \$102.5 million was unused and available under the Company's bank facility and lines of credit at June 30, 2008. The Company is subject to financial covenants, which could restrict the Company from drawing money under these lines of credit. At June 30, 2008, the Company was in compliance with these covenants.

Additionally, the Company has outstanding short-term debt with Deutsche Bank AG and Bayerische Hypo- und Vereinsbank AG of \$40.0 million, which was used to finance the stock buyback plan. The Company is not subject to financial covenants on this short-term debt.

Cash and cash equivalents decreased by \$25.0 million during the nine months ended June 30, 2008. Approximately \$6.9 million in cash and cash equivalents were provided by operating activities, primarily as the result of improved net income and other non-cash items, consisting principally of depreciation and amortization. Operating cash flow was negatively affected by an increase in inventory and a decrease in income tax payables, partially offset by an increase in accounts payables and accrued liabilities.

Net cash provided by investing activities totaled \$51.4 million for the nine-month period ended June 30, 2008, and related primarily to the sales of short-term investments (\$224.6 million) offset by the purchase of short-term investments (\$132.5 million), acquisition of business (\$30.2 million) and various additions to property and equipment in the amount of \$11.1 million.

Net cash used in financing activities totaled \$92.7 million for the nine-month period ended June 30, 2008 and was primarily related to the increase of treasury stock (\$120.0 million) and current period repayments of bank debt of \$25.7 million, offset by \$47.9 million from new borrowings from bank and \$4.6 million generated through issuance of new shares from the exercise of stock options.

Management believes that the cash flow from operations, along with existing cash and cash equivalents and availability under the credit facilities and lines of credit, will provide adequate resources to meet both our capital requirements and operational needs on both a short-term and long-term basis.

The Company has listed all its material contractual obligations in the Annual Report on Form 10-K, for the fiscal year ended September 30, 2007, and has not entered into any further material contractual obligations since that date.

#### Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements or financing arrangements involving variable interest entities.

#### Currency Exchange Rate Fluctuations

Although we report our Consolidated Financial Statements in U.S. dollars, approximately 72% of our sales have been denominated in other currencies, primarily the Euro, British pound, Swedish krona, Singapore dollar, Chinese yuan renminbi, Taiwanese dollar, Korean won and Japanese yen. Net sales, costs and related assets and liabilities of our operations are generally denominated in the functional currencies of the relevant operating units, thereby serving to reduce the Company's exposure to exchange gains and losses.

Exchange differences upon translation from each operating unit's functional currency to U.S. dollars are accumulated as a separate component of equity. The currency translation adjustment component of stockholders' equity had the effect of increasing total equity by \$71.9 million at June 30, 2008 as compared to \$29.7 million at June 30, 2007.

The fluctuation of the Euro and the other relevant functional currencies against the U.S. dollar has had the effect of increasing or decreasing (as applicable) reported net sales, cost of goods sold, gross margin and selling, general and administrative expenses, denominated in such foreign currencies when translated into U.S. dollars as compared to prior periods.

#### Critical Accounting Policies

Our significant accounting policies are more fully described in Note 1 of our consolidated financial statements in our Annual Report on 10-K for the fiscal year ended September 30, 2007. Certain of the accounting policies require the application of significant judgment by management in selecting appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty.

#### Allowance for Doubtful Accounts

The Company records allowances for uncollectible customer accounts receivable based on historical experience. Additionally, an allowance is made based on an assessment of specific customers' financial condition and liquidity. If the financial condition of the Company's customers were to deteriorate, additional allowances may be required. No individual customer represents more than 10% of total accounts receivable. Any increase in allowance will impact operating income during a given period.

#### Inventory Valuation

Inventories are stated at the lower of cost or market, after provisions for excess and obsolete inventory salable at prices below cost. Provisions for slow moving and obsolete inventories are provided based on current assessments about historical experience and future product demand and production requirements for the next twelve months. These factors are impacted by market conditions, technology changes, and changes in strategic direction, and require estimates and management judgment that may include elements that are uncertain. The Company evaluates the adequacy of these provisions quarterly. Although the Company strives to achieve a balance between market demands and risk of inventory excess or obsolescence, it is possible that, should conditions change, additional provisions may be needed. Any changes in the provisions will impact operating income during a given period.

#### Warranty Reserves

The Company provides reserves for the estimated costs of product warranties when revenue is recognized. The Company relies upon historical experience, expectation of future conditions, and its service data to estimate its warranty reserve. The Company continuously monitors this data to ensure that the reserve is sufficient. Warranty expense has historically been within our expectations. To the extent we experience increased warranty claim activity or increased costs associated with servicing those claims (such costs may include material, labor and travel costs), revisions to the estimated warranty liability would be required. Increases in reserves will impact operating income during the period.

## Pension

The determination of the Company's obligation and expense for pension is dependent on the selection of certain assumptions used by actuaries in calculating those amounts. Assumptions are made about interest rates, expected investment return on plan assets, total turnover rates, and rates of future compensation increases. In addition, the Company's actuarial consultants use subjective factors such as withdrawal rates and mortality rates to develop their calculations of these amounts. The Company generally reviews these assumptions at the beginning of each fiscal year. The Company is required to consider current market conditions, including changes in interest rates, in making these assumptions. The actuarial assumptions that the Company may use may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants. These differences may result in a significant impact on the amount of pension benefits expense the Company has recorded or may record.

The discount rate enables the Company to state expected future cash flows at a present value on the measurement date. The Company has little latitude in selecting this rate, and it must represent the market rate of high-quality fixed income investments. A lower discount rate increases the present value of benefit obligations and increases pension expense.

To determine the expected long-term rate of return on plan assets, the Company considers the current and expected assets allocations, as well as historical and expected returns on various categories of plan assets.

## Share-Based Payment

Stock-based compensation cost is measured at grant date, based on the fair value of the award, and is recognized as expense over the employee requisite vesting period. We make judgments about the fair value of the awards, including the expected term of the award, volatility of the underlying stock and estimated forfeitures, which impact the amount of compensation expense recognized in the financial statements. Such amounts may change as a result of additional grants, forfeitures, modifications in assumptions and other factors. SFAS No. 123R provides that income tax effects of share-based payments are recognized in the financial statements for those awards which will normally result in tax deductions under existing tax law. Under current U.S. federal tax laws, we receive a compensation expense deduction related to stock options only when those options are exercised and vested shares are received. Accordingly, the financial statement recognition of compensation cost for stock options creates a deductible temporary difference which results in a deferred tax asset and a corresponding deferred tax benefit in the income statement for all U.S. based employees. Compensation expense related to all other employees is treated as a permanent difference for income tax purposes.

## Ownership of Common Stock By Directors

The following table sets forth information as of June 30, 2008, with respect to beneficial ownership of the Company's Common Stock and exercisable options by each director.

Name	Number of Shares of Common Stock Beneficially Owned	Total Number of Stock Options Owned at June 30, 2008	Number of Exercisable Stock Options Owned at June 30, 2008
Peter Wirth	12,600	302,000	173,000
Gunther Braun	--	570,000	310,000
Carl F. Baasel	128,000	24,000	--
Ralph E. Reins (1)	15,000	--	--
Gary K. Willis (1)	30,000	--	--
Daniel Smoke (1)	19,600	--	--
Stephan Fantone (1)	8,000	--	--

(1) Outside, non-executive directors

### Item 3. Quantitative and Qualitative Disclosures about Market Risk

For the nine-month period ended June 30, 2008, we did not experience any material change in market risk exposures affecting the quantitative and qualitative disclosures as presented in our Annual Report on Form 10-K for the fiscal year ended September 30, 2007.

The following discussion about the Company's market risk disclosures involves forward-looking statements. Actual results could differ materially from those projected in the forward looking statements. The Company is exposed to market risk related to changes in interest rates and foreign currency exchange rates. The Company does not use derivative financial instruments for trading purposes.

#### Interest Rate Sensitivity

As of June 30, 2008, the Company maintained cash equivalents and short-term investments of \$49.9 million, consisting mainly of non-taxable interest bearing securities and demand deposits all with maturities of less than three months. If short-term interest rates were to increase or decrease by 10%, interest income would increase or decrease by approximately \$0.1 million.

At June 30, 2008, the Company had \$15.5 million of variable rate debt on which the interest rate is reset every six months, \$2.4 million of variable rate debt on which the interest rate is set annually and \$48.6 million of fixed rate debt. Maturities of this debt are as follows: \$47.8 million is due in 2008, \$13.5 million is due in 2009, \$1.0 million is due in 2010, \$0.7 million is due in 2011, \$0.7 million is due in 2012, \$0.3 million is due in 2013 and \$2.5 million is due in 2015. A 10% change in the variable interest rates of the Company's debt would result in an increase or decrease in pre-tax interest expense by approximately \$0.1 million.

Additionally, the Company has entered into interest swap agreements of total notional amount of Euro 4.0 million (equivalent to \$6.3 million based on the exchange rate at June 30, 2008) to minimize the interest expenses on short term debt by shifting from variable to fixed interest rates.

#### Foreign Currency Exchange Risk

The Company enters into foreign currency forward contracts and forward exchange options generally of less than one year duration to hedge a portion of its foreign currency risk on sales transactions. At June 30, 2008, the Company held Japanese yen forward exchange options with notional amount of Euro 0.7 million and \$0.1 million and Euro forward exchange options of Euro 1.0 million. The gain or loss resulting from a 10% change in currency exchange rates would be approximately \$0.4 million and \$0.1 million respectively.

#### Item 4. Controls and Procedures

As of the end of the quarterly period covered by this report, the Chief Executive Officer and Chief Financial Officer of the Company (collectively, the "certifying officers") have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended). These disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Company in its periodic reports filed with the Securities and Exchange Commission (the "Commission") is recorded, processed, summarized and reported within the time periods specified by the Commission's rules and forms, and that the information is communicated to the certifying officers on a timely basis.

The certifying officers concluded, based on their evaluation, that the Company's disclosure controls and procedures were effective as of the end of the quarterly period covered by this report in ensuring that material information relating to the Company, including its consolidated subsidiaries, is made known to them in a timely fashion, taking into consideration the size and nature of the Company's business and operations.

There have not been changes in the Company's internal control over financial reporting that occurred during the quarter covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

#### PART II. OTHER INFORMATION

##### Item 1. Legal Proceedings

We have been and are likely to be involved from time to time in litigation involving our intellectual property and ordinary routine litigation arising in the ordinary course of business.

A licensor of patents covering the technology used in certain of the Company's CO2 lasers has asserted that the Company has calculated royalties due in respect of certain sales of such CO2 lasers in a manner that is not consistent with the applicable license agreement. In addition, the licensor claims that it has not been provided with copies of invoices and other documentation relating to such sales, to which it asserts it is entitled under the license agreement. The Company disputes these and related allegations and believes that it is in compliance with all of its obligations under the license agreement. Following discussions with the licensor in order to resolve these disagreements, the parties have reached an agreement in principle that an independent auditor should be appointed to review the calculations made by the Company in connection with the royalties it has paid in the past. To date the audit has not commenced. In February 2008, the Company contacted the licensor in writing in order to proceed with the appointment of an independent auditor and agree on parameters to apply to the conduct of the audit. Management believes that it will achieve a resolution of this matter that will not have a material adverse impact on the Company's financial condition or results of operations or cash flows.

Item 1A. Risk Factors

For information regarding risk factors that could effect the Company's results of operation, financial condition and liquidity, see the risk factors discussion provided under "Risk Factors" in Item 1A of the Company's Annual Report on Form 10-K for the year ended September 30, 2007. See also, "Cautionary Note Regarding Forward-Looking Statements" included elsewhere in this Quarterly Report on Form 10-Q.

Item 2. Unregistered Sales of Equity Securities and Use of Proceeds

On November 7, 2007, the Board of Directors approved a stock buyback plan which authorizes the repurchase of up to \$120 million of the Company's Common Stock, or approximately 10% of the shares of Common Stock then outstanding based on then current market prices. The share buyback program was authorized to begin November 15, 2007. The shares may be repurchased from time to time in open market transactions or privately negotiated transactions at the Company's discretion, including the quantity, timing and price thereof. As of June 30, 2008, the Company has bought approximately 2.8 million shares of common stock, at an average price of \$42.41, under our buyback program for a total amount of \$120.0 million, with no remaining shares to be repurchased.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits

- 31.1 Rule 13a-14(a)/15d-14(a) Certification of Chief Executive Officer
- 31.2 Rule 13a-14(a)/15d-14(a) Certification of Chief Financial Officer
- 32.1 Section 1350 Certification of Chief Executive Officer
- 32.2 Section 1350 Certification of Chief Financial Officer

SIGNATURES

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

Rofin-Sinar Technologies Inc.

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(Registrant)

Date: August 8, 2008

/s/ Gunther Braun

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Gunther Braun  
President, Chief Executive Officer,  
and Director

/s/ Ingrid Mittelstaedt

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Ingrid Mittelstaedt  
Chief Financial Officer,  
Executive Vice President, Finance  
and Administration, and Treasurer

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

I, Gunther Braun, Chief Executive Officer and President, of Rofin-Sinar Technologies, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rofin-Sinar Technologies Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report, based on such evaluation; and
  - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:
- a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 8, 2008

/s/ Gunther Braun

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Gunther Braun

President,  
Chief Executive Officer and  
Director

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Ingrid Mittelstaedt, Chief Financial Officer, of Rofin-Sinar Technologies, Inc., certify that:

1. I have reviewed this quarterly report on Form 10-Q of Rofin-Sinar Technologies Inc.;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
  - a) designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this quarterly report is being prepared;
  - b) designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
  - c) evaluated the effectiveness of the registrant's disclosure controls and procedures presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this quarterly report, based on such evaluation; and
  - d) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors:
- a) all significant deficiencies and material weaknesses in the design or operation of internal controls over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
  - b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls over financial reporting.

Date: August 8, 2008

/s/ Ingrid Mittelstaedt

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Ingrid Mittelstaedt

Chief Financial Officer,  
Executive Vice President,  
Finance and Administration,  
and Treasurer

ROFIN-SINAR TECHNOLOGIES INC.  
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Rofin-Sinar Technologies Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gunther Braun, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: August 8, 2008

/s/ Gunther Braun

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Gunther Braun

President,  
Chief Executive Officer and  
Director

ROFIN-SINAR TECHNOLOGIES INC.  
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,  
AS ADOPTED PURSUANT TO SECTION 906  
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Rofin-Sinar Technologies Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2008 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ingrid Mittelstaedt, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

1. The Report fully complies with the requirements of Section 13(a) or 15(d), as applicable, of the Securities Exchange Act of 1934; and
2. The information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

This Certification has not been, and shall not be deemed, "filed" with the Securities and Exchange Commission.

Date: August 8, 2008

/s/ Ingrid Mittelstaedt

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Ingrid Mittelstaedt

Chief Financial Officer,  
Executive Vice President,  
Finance and Administration,  
and Treasurer