

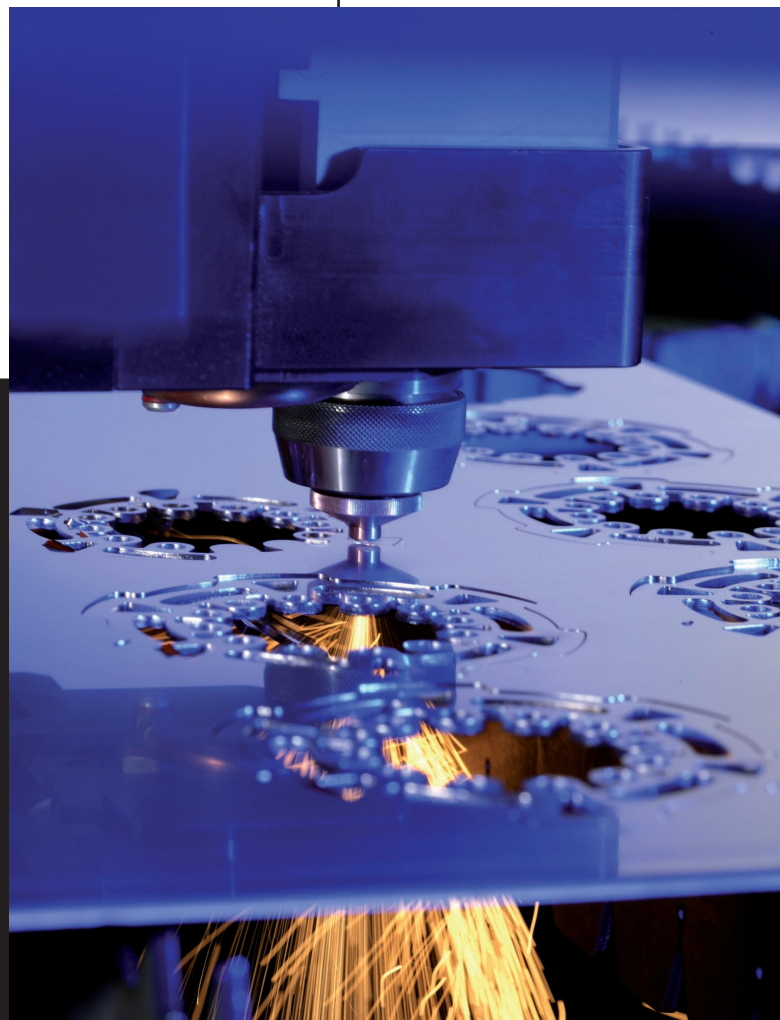
Quarterly Report

3rd Quarter Fiscal Year 2009

Apr. 1, 2009 - Jun. 30, 2009

ROFIN-SINAR Technologies Inc.

NASDAQ: RSTI
Prime Standard: ISIN US7750431022



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

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, 2009

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 has submitted electronically and posted in its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). 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 definitions 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

28,912,619 shares of the registrant's common stock, par value \$0.01 per share, were outstanding as of August 7, 2009.

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, 2009	September 30, 2008
ASSETS	-----	-----
Current Assets		
Cash and cash equivalents	\$ 116,622	\$ 114,486
Short-term investments	633	1,985
Accounts receivable, net of allowance for doubtful accounts of \$2,779 and \$3,647, respectively	70,938	117,910
Inventories, net (Note 5)	139,233	153,267
Other current assets and prepaid expenses	18,794	18,707
	-----	-----
Total current assets	346,220	406,355
Long-term investments (Note 6)	9,350	11,550
Property and equipment, net	54,474	56,226
Goodwill (Note 7)	91,372	91,755
Other intangibles, net (Note 7)	11,295	11,443
Other assets	13,012	6,331
	-----	-----
Total assets	\$ 525,723	\$ 583,660
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Line of credit and short-term borrowings	\$ 28,674	\$ 54,706
Accounts payable, trade	11,997	21,176
Accounts payable to related party	720	1,433
Accrued liabilities (Note 8)	45,525	71,086
	-----	-----
Total current liabilities	86,916	148,401
Long-term debt	11,956	11,968
Pension obligations	12,313	12,049
Minority interests	3,315	2,287
Other long-term liabilities	7,794	6,697
	-----	-----
Total liabilities	122,294	181,402
Stockholders' equity		
Preferred stock, 5,000,000 shares authorized, none issued or outstanding	--	--
Common stock, \$0.01 par value, 50,000,000 shares authorized, 28,912,619 (28,896,619 at September 30, 2008) issued and outstanding (Note 12)	162	161
Additional paid-in-capital	194,579	189,091
Retained earnings	298,556	294,644
Accumulated other comprehensive income	30,128	38,358
Treasury shares, at cost, 2,829,581 shares	(119,996)	(119,996)
	-----	-----
Total stockholders' equity	403,429	402,258
	-----	-----
Total liabilities and stockholders' equity	\$ 525,723	\$ 583,660
	=====	=====

See accompanying notes to condensed consolidated financial statements

Rofin-Sinar Technologies Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)
Periods Ended June 30, 2009 and 2008
(dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2009	2008	2009	2008
Net sales	\$ 76,565	\$ 149,667	\$ 259,120	\$ 420,957
Cost of goods sold	49,875	86,737	162,552	238,715
 Gross profit	 26,690	 62,930	 96,568	 182,242
Selling, general, and administrative expenses	23,168	27,297	65,741	78,888
Research and development expenses	8,763	10,939	24,751	29,879
Amortization expense	973	1,192	2,672	5,839
 Income (loss) from operations	 (6,214)	 23,502	 3,404	 67,636
Other (income) expense:				
Interest income	(257)	(792)	(1,218)	(4,409)
Interest expense	315	706	1,357	1,450
Foreign currency (income) losses	(545)	(292)	(3,496)	5,124
Other income	(81)	(285)	(216)	(693)
 Income (loss) before income Taxes and minority interest	 (5,646)	 24,165	 6,977	 66,164
Income tax expense (benefit)	(798)	7,872	2,840	21,901
 Income (loss) before minority interest	 (4,848)	 16,293	 4,137	 44,263
Minority interest, net of tax	52	196	225	491
 Net income (loss)	 \$ (4,900)	 \$ 16,097	 \$ 3,912	 \$ 43,772
 Earnings per share (Note 12):				
Basic	\$ (0.17)	\$ 0.55	\$ 0.14	\$ 1.46
Diluted	\$ (0.17)	\$ 0.54	\$ 0.14	\$ 1.42
 Weighted-average shares used in computing earnings per share (Note 12):				
Basic	28,911,278	29,333,431	28,910,318	29,900,000
Diluted	28,911,278	29,912,358	28,910,318	30,758,930

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, 2009 and 2008
(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, 2008	\$ 161	\$(119,996)	\$ 189,091	\$ 294,644	\$ 38,358	\$ 402,258
Comprehensive income:						
Fair value of interest swap agreement	--	--	--	--	(208)	(208)
Foreign currency translation adjustment	--	--	--	--	(8,022)	(8,022)
Net income	--	--	--	3,912	--	3,912

Total comprehensive income (loss)						(4,318)
Activity related to stock incentive plans	1	--	5,488	--	--	5,489
	-----	-----	-----	-----	-----	-----
BALANCES at June 30, 2009	\$ 162	\$(119,996)	\$ 194,579	\$ 298,556	\$ 30,128	\$ 403,429
	=====	=====	=====	=====	=====	=====
BALANCES at September 30, 2007	\$ 156	--	\$ 177,048	\$ 229,971	\$ 41,748	\$ 448,923
Comprehensive income:						
Fair value of interest swap agreement	--	--	--	--	(99)	(99)
Foreign currency translation adjustment	--	--	--	--	29,596	29,596
Adoption of FIN 48	--	--	--	914	--	914
Net income	--	--	--	43,772	--	43,772

Total comprehensive income						74,183
Activity related to 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
	=====	=====	=====	=====	=====	=====

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, 2009 and 2008
(dollars in thousands)

	Nine Months Ended June 30,	
	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 3,912	\$ 43,772
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,616	12,675
Stock-based compensation expenses	4,598	4,278
Other adjustments	(1,129)	(823)
Change in operating assets and liabilities:		
Accounts receivable, trade	44,685	(8,389)
Inventories	14,150	(23,853)
Accounts payable	(8,643)	6,565
Changes in other operating assets and liabilities	(22,146)	(27,327)
Net cash provided by operating activities	45,043	6,898
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of property and equipment	171	683
Additions to property and equipment	(5,953)	(11,118)
Purchases of short-term investments	(2,161)	(132,547)
Sales of short-term and long-term investments	5,612	224,558
Acquisition of business, net of cash acquired	(12,292)	(30,150)
Net cash (used in) provided by investing activities	(14,623)	51,426
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from banks	11,188	47,888
Repayment to banks	(37,782)	(25,702)
Purchase of treasury stock	--	(119,996)
Issuance of common stock	61	4,567
Excess tax benefit from stock options	464	567
Net cash used in financing activities	(26,069)	(92,676)
Effect of foreign currency translation on cash	(2,215)	9,391
Net increase (decrease) in cash and cash equivalents	2,136	(24,961)
Cash and cash equivalents at beginning of period	114,486	118,458
Cash and cash equivalents at end of period	\$116,622	\$ 93,497
Cash paid for interest	\$ 1,254	\$ 1,253
Cash paid for taxes	\$ 12,599	\$ 47,786

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 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, 2008, 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, 2008, as filed with the Securities and Exchange Commission on December 1, 2008.

2. New Accounting Pronouncements

In February 2007, the Financial Accounting Standards ("FASB") issued Statement of Financial Accounting Standards ("SFAS") 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. Adoption of the provisions of SFAS No. 159 did not have a material impact on our consolidated financial position and results of operations.

In December 2007, the FASB issued 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.

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 No. 160 on its consolidated financial position, results of operations and cash flows.

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 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. For the Company SFAS 161 became effective January 1, 2009 and did not have an impact 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 became effective November 15, 2008, and did not have an impact on the Company's consolidated financial statements.

In April 2008, the FASB issued FSP 142-3, "Determination of the Useful Life of Intangible Assets", which amends the list of factors an entity should consider in developing renewal or extension assumptions used in determining the useful life of recognized intangible assets under SFAS No. 142, "Goodwill and Other Intangible Assets." The new guidance applies to (1) intangible assets that are acquired individually or with a group of other assets and (2) intangible assets acquired in both business combinations and asset

acquisitions. Under FSP No. FAS 142-3, entities estimating the useful life of a recognized intangible asset must consider their historical experience in renewing or extending similar arrangements or, in the absence of historical experience, must consider assumptions that market participants would use about renewal or extension. FSP No. FAS 142-3 will require certain additional disclosures beginning October 1, 2009, and prospective application to useful life estimates prospectively for intangible assets acquired after September 30, 2009. The Company is in the process of evaluating the impact that the adoption of FSP No. FAS 142-3 may have on its financial statements and related disclosures.

In June 2008, the FASB issued Emerging Issues Task Force ("EITF") 03-6-1, "Determining Whether Instruments Granted in Share-Based Payment Transaction Are Participating Securities". EITF 03-6-1 requires that unvested share-based payment awards that contain nonforfeitable rights to dividends or dividend equivalents (whether paid or unpaid) are participating securities and shall be included in the computation of earnings per share pursuant to the two-class method. This statement is effective for financial statements issued for fiscal years beginning after December 15, 2008, and interim periods within those years, and requires that all prior period earnings per share data presented (including interim financial statements, summaries of earnings and selected financial data) be adjusted retrospectively to conform with its provisions. The Company is currently evaluating the impact, if any, that the adoption of EITF 03-6-1 will have on its consolidated financial statements.

In April 2009, the FASB issued FSP FAS 107-1, "Interim Disclosures about Fair Value of Financial Instruments", which is effective for interim and annual periods ending after June 15, 2009. FSP FAS 107-1 applies to all financial instruments within the scope of Statement 107, and requires entities to disclose the methods and significant assumptions used to estimate the fair value of financial instruments, in both interim financial statements as well as annual financial statements. The FSP became effective June 30, 2009, and did not have an impact on the Company's consolidated financial statements.

In April 2009, the FASB issued FSP FAS 157-4, "Determining Fair Value When the Volume and Level of Activity for the Asset or Liability Have Significantly Decreased and Identifying Transactions That Are Not Orderly". FSP FAS 157-4 provides application guidance addressing the determination of (a) when a market for an asset or a liability is active or inactive and (b) when a particular transaction is distressed. The FSP became effective June 30, 2009, and did not have an impact on the Company's consolidated financial statements.

In April 2009, the FASB issued FSP FAS 115-2 and FAS 124-2, "Recognition and Presentation of Other-Than-Temporary Impairment". FSP 115-2/124-2 amends the requirements for the recognition and measurement of other-than-temporary impairments for debt securities by modifying the pre-existing "intent and ability" indicator. Under FSP 115-2/124-2, an other-than-temporary impairment is triggered when there is intent to sell the security, it is more likely than not that the security will be required to be sold before recovery, or the security is not expected to recover the entire amortized cost basis of the security. Additionally, the FSP changes the presentation of an other-than-temporary impairment in the income statement for those impairments involving credit losses. The credit loss component will be recognized in earnings and the remainder of the impairment will be recorded in other comprehensive income. The Company adopted FSP 115-2/124-2 as of June 30, 2009, and did not have a significant impact on the Company's consolidated financial position or results of operations.

In May 2009, the FASB issued SFAS No. 165, "Subsequent Events". SFAS 165 requires entities to disclose the date through which they have evaluated subsequent events and whether the date corresponds with the release of their financial statements. The Company adopted the guidance for the third quarter of 2009. The adoption had no impact on our consolidated financial statements, besides the additional disclosure.

In June 2009, the FASB issued SFAS No. 168, "The FASB Accounting Standards Codification and the Hierarchy of Generally Accepted Accounting Principles". SFAS 168 will become the single source of authoritative nongovernmental U.S. generally accepted accounting principles ("GAAP"), superseding existing FASB, American Institute of Certified Public Accountants ("AICPA"), EITF, and related accounting literature. SFAS 168 reorganizes the thousands of GAAP pronouncements into roughly 90 accounting topics and displays them using a consistent structure. Also included is relevant Securities and Exchange Commission guidance organized using the same topical structure in separate sections. SFAS 168 will be effective for financial statements issued for reporting periods that end after September 15, 2009. This will have an impact on the Company's consolidated financial statements since all future references to authoritative accounting literature will be references in accordance with SFAS 168.

3. Acquisitions

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. On November 14, 2008, the Company and the former Nufern stockholders entered into an agreement pursuant to which the Company agreed to pay the former Nufern stockholders an aggregate of \$5.0 million in full satisfaction of its obligation to make the earn-out payment. This purchase price adjustment resulting in additional goodwill of \$5.0 million. However, during the three-month period ended March 31, 2009, the Company finalized its valuation of the identified intangible assets related to this acquisition. Since the final valuation was different from the Company's preliminary assessment, a purchase price adjustment was made to the amount of goodwill recorded.

Effective March 11, 2009, the Company made the final payment for the outstanding earn-out, and acquired the remaining 10% of share capital of Optoskand AB through its wholly-owned subsidiary Rofin-Sinar Laser GmbH under an option agreement. This purchase resulted in an additional goodwill of \$0.7 million.

Effective April 9, 2009, the Company acquired 80% of the equity of China-based Nanjing Eastern Laser Company Ltd. (NELC) through two separate cash transactions. NELC's product lines are largely comprised of high power, fast-axial flow CO2 lasers, with a power range up to 3 kW as well as NC-based laser processing equipment. This purchase resulted in a goodwill of approximately \$4.0 million.

4. Fair Value Measurements

Effective October 1, 2008, the Company adopted SFAS No. 157, "Fair Value Measurements" ("SFAS No. 157"), to account for its financial assets and liabilities. SFAS No. 157 establishes a framework for measuring fair value and expands disclosures about fair value measurements. SFAS No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The standard establishes a three-tier hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

- * Level 1 - Unadjusted observable quoted prices for identical instruments in active markets.
- * Level 2 - Observable inputs other than those included in Level 1. For example, quoted prices for similar assets or liabilities in active markets or quoted prices for identical assets or liabilities in inactive markets.
- * Level 3 - Unobservable inputs reflecting management's own assumptions about the inputs used in pricing the asset or liability.

Our financial assets and liabilities consist of interest rate swaps and currency forward contracts. The fair value measurement of derivatives is based upon Level 2 inputs consisting of observable current market data as applicable to determine market rates of similar assets and liabilities. Many of our derivative contracts are valued utilizing publicly available pricing data of contracts with similar terms. In other cases, the contracts are valued using current spot market data adjusted for the appropriate current forward curves provided by external financial institutions. We enter into hedging transactions with banking institutions that have strong credit ratings, and thus the credit risk associated with these contracts is not considered significant.

For the nine months ended June 30, 2009, there was no material impact from the adoption of SFAS No. 157 on the Company's condensed consolidated financial statements.

Financial assets and liabilities measured at fair value on a recurring basis as of June 30, 2009, are classified on the valuation technique level in the table below:

	Fair Value Measurements			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$116,622	\$116,622	\$ --	\$ --
Short-term investments	633	633	--	--
Derivatives	(63)	--	(63)	--
Non-current auction rate securities (Note 6)	9,350	--	--	9,350
Total assets at fair value	\$126,542	\$117,255	\$(63)	\$ 9,350

The changes in the fair value measurement using significant unobservable inputs (level 3) for the nine-month period ended June 30, 2009, are as follows:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)	

September 30, 2008	\$ 11,550	
Settlements	(2,200)	
June 30, 2009	\$ 9,350	

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, 2009	September 30, 2008
Finished goods	\$ 21,060	\$ 23,844
Work in progress	28,625	31,224
Raw materials and supplies	47,291	53,857
Demonstration inventory	14,685	16,868
Service parts	27,572	27,474
Total inventories, net	\$ 139,233	\$ 153,267

Net inventory is net of provisions for excess and obsolete inventory of \$19,148 and \$18,344 at June 30, 2009, and September 30, 2008, respectively.

6. Long-Term Investments

Long-term investments include auction rate securities which 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.

Through auctions completed in the first nine months of fiscal year 2009, the Company reduced its holdings of auction rate securities to approximately \$9.4 million at June 30, 2009. All such auctions resulted in sales, for cash, at par value. At June 30, 2009, the Company held five individual auction rate securities. The Company does not believe that the remaining balance of auction rate securities represent a significant portion of the Company's total liquidity. The Company used a discounted cash flow model to determine the fair market value of these investments at September 30, 2008. This model included estimates for interest rates, discount rates, the amount of cash flows, and expected holding periods. As a result, the Company concluded that the par value of these investments approximates fair market value. Additionally, the Company has the ability and intent to hold these investments until a resumption of the auction process or until maturity. Although the Company believes these investments will become liquid within the next twelve months, it is uncertain what impact the current economic environment will have on this position and therefore, they have been classified as long-term assets on the consolidated balance sheet and no gain or loss has been recognized.

7. Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill for the nine-month period ended June 30, 2009, are as follows:

	Germany	North America	Other	Total
Balance as of September 30, 2008	\$ 46,019	\$ 16,862	\$ 28,874	\$ 91,755
Additional goodwill from acquisition	--	5,045	4,778	9,823
Adjustment to goodwill from final purchase adjustments	--	(8,739)	--	(8,739)
Currency translation difference	(639)	(49)	(779)	(1,467)
Balance as of June 30, 2009	\$ 45,380	\$ 13,119	\$ 32,873	\$ 91,372

During the nine months ended June 30, 2009, the Company experienced significant declines in revenue and operating performance when compared to prior years. The Company believes that this weak performance was attributable to reduced consumer spending and investing behavior due to the overall weakness in the economy and the financial crisis. As a result of these factors the Company performed a step 1 impairment analysis of goodwill as of June 30, 2009, and determined that no impairment exists and further analysis was not required.

The carrying values of other intangible assets are as follows:

	June 30, 2009		September 30, 2008	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized Intangible Assets:				
Patents	\$ 10,140	\$ 5,243	\$ 9,821	\$ 4,417
Customer base	16,587	14,574	14,846	13,688
Other	17,812	13,427	17,229	12,348
Total	\$ 44,539	\$ 33,244	\$ 41,896	\$ 30,453

Amortization expense for the nine-month periods ended June 30, 2009, and 2008, was \$2.7 million and \$5.8 million, respectively. At June 30, 2009, estimated amortization expense for the remainder of fiscal 2009 and the next five fiscal years based on the average exchange rates as of June 30, 2009, is as follows:

2009 (remainder)	\$ 1.0 million
2010	1.7 million
2011	1.5 million
2012	1.3 million
2013	1.3 million
2014	1.3 million

8. Accrued Liabilities

Accrued liabilities are comprised of the following:

	June 30, 2009	September 30, 2008
Employee compensation	\$ 14,581	23,211
Warranty reserve	9,670	12,337
Customer deposits	11,224	10,649
Income taxes payable	--	7,659
Other	10,050	17,230
Total accrued liabilities	\$ 45,525	\$ 71,086

9. 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 FIN 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.

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, 2009, the Company's gross unrecognized tax benefits totaled \$0.6 million which includes approximately \$0.1 million of interest and penalties. The Company estimates that the unrecognized tax benefits will not change significantly within the next year.

10. 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, 2009 and 2008, are as follows:

	2009	2008
	-----	-----
Balance at September 30,	\$ 12,337	\$ 12,269
Additional accruals for warranties during the period	736	2,441
Usage during the period	(3,127)	(2,922)
Currency translation	(276)	1,124
	-----	-----
Balance at June 30,	\$ 9,670	\$ 12,912
	=====	=====

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 Incentive Stock Plan continues through 2017. There were no incentive stock options, restricted stock or performance shares granted in fiscal years 2009 or 2008. Non-qualified stock options were granted to officers and other key employees in fiscal years 2009 and 2008. 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.

In compliance with SFAS No. 123(R), the Company recorded expenses of \$1.5 million and \$4.6 million for the three and nine month periods ended June 30, 2009, 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 these calculations:

	2009	2008
	Grants	Grants
	-----	-----
Grant date fair value	\$ 6.87	\$18.14
Expected life	5 Years	5 Years
Volatility	50.3%	48.1%
Risk-free interest rate	1.65%	2.36%
Dividend yield	0%	0%
Annual forfeiture rate	2%	2%

306,250 of stock options were granted in the three-month period ended March 31, 2009 and no additional stock options have been granted since then. 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, 2009, 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, 2008	2,567,300	\$ 23 2/9	7.13	\$ 19.0
Granted	306,250	15		
Exercised	(4,000)	15 1/6		
Cancelled	--	--		
Forfeited	(5,800)	17 2/3		
	-----	-----	-----	-----
Balance at June 30, 2009	2,863,750	\$ 22 3/8	6.74	\$ (6.8)
Exercisable at June 30, 2009	1,576,500	\$ 19 3/7	5.72	\$ 1.0

As of June 30, 2009, there was \$14.2 million of total unrecognized compensation costs related to stock options. These costs are expected to be recognized over a weighted-average period of 3.01 years.

During the three and nine-month periods ended June 30, 2009 and 2008, the following activity occurred under the plan:

	(in millions)			
	Three Months Ended June 30,		Nine Months Ended June 30,	
	2009	2008	2009	2008
	-----	-----	-----	-----
Total intrinsic value of stock options exercised	\$ --	\$ 2.3	\$ 0.1	\$ 16.5

Cash received from stock option exercises for the three-month and nine-month periods ended June 30, 2009, was \$0.03 million and \$0.06 million, respectively.

12. Earnings Per Common Share

Basic earnings per common share (EPS) is computed by dividing net income (loss) by the weighted-average number of 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,	
	2009	2008	2009	2008
Weighted-average number of shares for BASIC earnings per common share	28,911,278	29,333,431	28,910,318	29,900,000
Potential additional shares due to outstanding dilutive stock options	--	578,927	--	858,930
Weighted-average number of shares for DILUTED earnings per common share	28,911,278	29,912,358	28,910,318	30,758,930

555,750 shares excluded from the calculation of diluted EPS for the nine months ended June 30, 2009.

13. Defined Benefit Plans

Components of net periodic cost were as follows for the three and nine-month periods ended June 30, 2009 and 2008:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2009	2008	2009	2008
Service cost	\$ 184	\$ 211	\$ 544	\$ 625
Interest cost	262	273	775	803
Expected return on plan assets	(106)	(106)	(317)	(317)
Net periodic pension cost	\$ 340	378	\$ 1,002	\$ 1,111

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, 2009	September 30, 2008		
	-----	-----		
ASSETS				
North America	\$ 186,559	\$ 199,423		
Germany	359,071	402,813		
Other	206,151	207,885		
Intercompany eliminations	(226,058)	(226,461)		
	-----	-----		
	\$ 525,723	\$ 583,660		
	=====	=====		
LONG-LIVED ASSETS				
North America	\$ 13,355	\$ 14,603		
Germany	33,878	34,263		
Other	7,285	7,399		
Intercompany eliminations	(44)	(39)		
	-----	-----		
	\$ 54,474	\$ 56,226		
	=====	=====		
	Three Months Ended June 30,		Nine Months Ended June 30,	
	-----	-----	-----	-----
	2009	2008	2009	2008
	-----	-----	-----	-----
NET SALES				
North America	\$ 21,442	\$ 40,920	\$ 67,780	\$ 103,589
Germany	50,082	118,471	181,007	344,023
Other	28,216	47,214	94,400	136,229
Intercompany eliminations	(23,175)	(56,938)	(84,067)	(162,884)
	-----	-----	-----	-----
	\$ 76,565	\$ 149,667	\$ 259,120	\$ 420,957
	=====	=====	=====	=====
INTERCOMPANY SALES				
North America	\$ 705	\$ 1,125	\$ 3,015	\$ 3,056
Germany	17,238	45,798	63,710	129,034
Other	5,232	10,015	17,342	30,794
Intercompany eliminations	(23,175)	(56,938)	(84,067)	(162,884)
	-----	-----	-----	-----
	\$ --	\$ --	\$ --	\$ --
	=====	=====	=====	=====

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2009	2008	2009	2008
EXTERNAL SALES				
North America	\$ 20,737	\$ 39,795	\$ 64,765	\$ 100,533
Germany	32,844	72,673	117,297	214,989
Other	22,984	37,199	77,058	105,435
	\$ 76,565	\$ 149,667	\$259,120	\$ 420,957

INCOME (LOSS) BEFORE INCOME TAXES AND MINORITY INTEREST

North America	\$ (2,123)	\$ (41)	\$ (9,723)	\$ 443
Germany	(3,567)	19,815	11,272	60,171
Other	(509)	4,166	3,862	11,072
Intercompany eliminations	553	225	1,566	(5,522)
	\$ (5,646)	\$ 24,165	\$ 6,977	\$ 66,164

15. Enterprise Wide Information

The Company generates 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,	
	2009	2008	2009	2008
Macro applications	\$ 30,988	\$ 60,284	\$ 102,628	\$ 181,713
Marking and micro applications	35,225	71,302	124,829	196,398
Components	10,352	18,081	31,663	42,846
	\$ 76,565	\$ 149,667	\$ 259,120	\$ 420,957

16. Subsequent Events

The Company evaluated subsequent events through the date the financial statements were issued and filed with the Securities and Exchange Commission, which was August 10, 2009. There were no subsequent events that required recognition or disclosure.

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 2009 and 2008 respectively, we realized approximately 40% of revenues from the sale and servicing of laser products used for macro applications in both periods, approximately 46% and 48% from the sale and servicing of laser products for marking and micro applications, and approximately 14% and 12% from the sale of components.

The third quarter ended June 30, 2009, was still influenced by the severe economic downturn in the global economy. Third quarter sales were again negatively impacted by postponed shipments in various industries. With very few exceptions, we experienced diminished demand across all industries. The Company continued to take action to reduce its worldwide cost structure to address the declining global business without sacrificing its goal of broadening the customer base. These actions include labor cost reductions (in both hours and headcount), and elimination of non-critical outside services. Due to the effect of lower fixed cost absorption, negative

foreign currency effects and additional costs related to headcount reductions we reported a net loss of \$4.9 million for the third quarter. Although visibility is still limited, we are seeing first signs of a slight market recovery. We are cautiously optimistic that we have reached the bottom of the downturn. In some geographical regions, we are experiencing a more positive customer sentiment due to the stimulus packages. This, combined with our focus on broadening our product portfolio for dedicated applications in emerging industries, should help to continue to build sequential revenue growth in the coming quarters.

At June 30, 2009, Rofin-Sinar had 1,765 employees (including 70 employees from the recent acquired Chinese subsidiary) compared to 1,746 employees at June 30, 2008.

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,	
	2009	2008	2009	2008
Net sales	100%	100%	100%	100%
Cost of goods sold	65%	58%	63%	57%
Gross profit	35%	42%	37%	43%
Selling, general and administrative expenses	30%	18%	25%	19%
Research and development expenses	11%	7%	10%	7%
Intangibles amortization	1%	1%	1%	1%
Income (loss) from operations	(8)%	16%	1%	16%
Income (loss) before income taxes and minority interest	(7)%	16%	3%	16%
Net income (loss)	(6)%	11%	2%	10%

Net Sales - Net sales of \$76.6 million and \$259.1 million represent decreases of \$73.1 million, or 49%, and \$161.9 million, or 38%, for the three and nine-month periods ended June 30, 2009, as compared to the corresponding period in fiscal 2008. The decrease for the three months ended June 30, 2009, resulted from a net sales decrease of \$51.9 million, or 47%, in Europe and Asia, and a decrease of \$21.2 million, or 53%, in North America, compared to the corresponding period in fiscal 2008. The decrease for the nine months ended June 30, 2009, compared to the corresponding period in fiscal 2008, resulted from a net sales decrease of \$115.7 million, or 36%, in Europe and Asia, and a decrease of \$46.2 million, or 46%, in North America. The U.S. dollar strengthened against foreign currencies, primarily against the Euro, which had an unfavorable effect on net sales of \$6.9 million and \$25.3 million for the three and nine-month periods ended June 30, 2009.

Net sales of laser products for macro applications decreased by \$29.3 million, or 49%, to \$31.0 million and by \$79.1 million, or 44%, to \$102.6 million for the three and nine-month periods ended June 30, 2009, as compared to the corresponding periods of fiscal 2008. The decrease can be mainly attributed to the lower demand for our lasers for macro applications in the machine tool and automotive industry.

Net sales of lasers for marking and micro applications decreased by \$36.1 million, or 51%, to \$35.2 million for the three-month period ended June 30, 2009, and by \$71.6 million, or 36%, to \$124.8 million for the nine-month period ended June 30, 2009 as compared to the corresponding periods in fiscal 2008. The decrease can be mainly attributed to the lower demand for our lasers for micro and marking applications principally in the solar cell, semiconductor, consumer electronics, and jewelry industries.

Revenues for the components business decreased by \$7.7 million, or 43%, to \$10.4 million for the three-month period ended June 30, 2009, and by \$11.1 million, or 26%, to \$31.7 million for the nine-month period ended June 30, 2009, as compared to the corresponding periods in fiscal 2008 mainly due to the economic downturn in several industries.

Gross Profit - Our gross profit of \$26.7 million and \$96.6 million for the three and the nine-month periods ended June 30, 2009, represents decreases of \$36.2 million, or 58%, and \$85.6 million, or 47%, from the corresponding periods of fiscal year 2008. As a percentage of sales, gross profit decreased from 42% to 35% for the three-month period ended June 30, 2009, and from 43% to 37% for the nine-month period ended June 30, 2009, as compared to the corresponding periods in fiscal year 2008. The decrease in our gross margins was mainly the result of the low level of business with the corresponding lower absorption of fixed costs, a decrease in our service and spare parts revenue and in our components business, as well as the additional costs associated with the headcount reductions amounting to \$0.9 million and \$1.0 million during the three and nine month periods ended June 30, 2009. Gross profit was unfavorably affected by \$2.1 million and \$7.9 million for the three and nine-month periods ended June 30, 2009, respectively, due to the strengthening 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 \$23.2 million and \$65.7 million for the three and nine-month periods ended June 30, 2009, represent decreases of \$4.1 million, or 15%, and \$13.2 million, or 17%, from the corresponding periods of fiscal 2008. The decrease in SG&A expenses is mainly a result of cost reductions in labor, travelling, as well as lower commissions related to the lower level of revenues, partially offset by additional costs related to headcount reductions of \$1.3 million and \$1.8 million for the three and nine month periods, as well as high unrealized exchange losses resulting from the revaluation of trade accounts receivables at June 30, 2009. Additionally, SG&A, a significant portion of which is incurred in foreign currencies, was favorably affected by \$2.2 million and \$5.5 million for the three and nine-month periods ended June 30, 2009, respectively, due to the strengthening of the U.S. dollar against foreign currencies, primarily the Euro. As a percentage of net sales, SG&A expenses increased from 18% to 30% and from 19% to 25% for the three and nine-month periods during the respective periods.

Research and Development - The Company spent net \$8.8 million and \$24.8 million on research and development ("R&D") during the three and nine-month periods ended June 30, 2009, which represents a decrease of 20% and 17% as compared to the corresponding periods of the prior year. Gross R&D expenses for the three-month periods ended June 30, 2009 and 2008, were \$9.2 million and \$11.0 million, respectively, and were reduced by \$0.4 million and \$0.1 million of government grants during each respective period. Gross R&D expenses for the nine-month periods ended June 30, 2009 and 2008, were \$26.0 million and \$30.8 million, respectively, and were reduced by \$1.2 million and \$0.9 million of government grants during each respective period. R&D expenses include additional costs associated with headcount reductions amounting to \$0.4 million and \$0.5 million during the three and nine months ended June 30, 2009. R&D, a significant portion of which is conducted in Europe, and therefore incurred in foreign currencies, was favorably affected by \$1.3 million and \$3.3 million for the three and nine-month periods ended June 30, 2009, due to the strengthening of the U.S. dollar against foreign currencies, primarily the Euro.

Amortization expense - Amortization expense for the three and nine-month periods ended June 30, 2009, amounted to \$1.0 million and \$2.7 million, respectively. This represents a decrease of \$0.2 million for the three-month period and of \$3.1 million for the nine-month period when compared to the same periods of fiscal year 2008, mainly due to high amortization in the third quarter of fiscal 2008, related to the Nufern acquisition amounting to \$2.8 million.

Other Income/Expenses - Net other income of \$0.6 million for the three-month period ended June 30, 2009, represents a decrease of \$0.1 million in other income compared to net other income of \$0.7 million in the corresponding period of the prior year. Net other income of \$3.6 million for the nine-month period ended June 30, 2009, represents an increase of \$5.1 million in net other income compared to net other expenses of \$1.5 million the corresponding period of the prior year. Net interest expense, within this category, includes \$0.2 million of interest income offset by \$0.3 million of interest expense for the three months ended June 30, 2009, and \$1.2 million of interest income offset by \$1.3 million of interest expense for the nine months ended June 30, 2009. The increase in net other income in the nine-month period ended June 30, 2009, is primarily attributable to realized exchange gains compared to unrealized exchange losses in the comparable period last fiscal year.

Income Tax Expense - Income tax benefit of \$0.8 million and income tax expense of \$2.8 million for the three and nine-month periods ended June 30, 2009, represents an effective tax rate of 14% and 41% for the three and nine-month periods, compared to 33% for the corresponding periods of the prior year. The higher overall effective income tax rate is primarily due to additional State taxes and Federal income taxes related to the repatriation of foreign income in combination with the low level of taxable income. Income tax expense, a significant portion of which is incurred in foreign currencies, was unfavorably affected by \$0.2 million and favorably affected by \$0.7 million for the three and nine-month periods ended June 30, 2009, due to the strengthening of the U.S. dollar against foreign currencies, primarily the Euro.

Net Income (Loss) - As a result of the foregoing factors, the Company realized consolidated net loss of \$4.9 million and a net income of \$3.9 million for the three and nine-month periods ended June 30, 2009, which represents a decrease of \$21.0 million and \$39.9 million for the three and nine months from the corresponding periods in fiscal 2008. For the three-month period ended June 30, 2009, basic and diluted net loss per common share equaled \$0.17, based upon a weighted average of 28.9 million common shares outstanding, as compared to basic and diluted net income per common share of \$0.55 and \$0.54, respectively, for the three-month period ended June 30, 2008, based upon a weighted average of 29.3 million and 29.9 million common shares outstanding.

Liquidity and Capital Resources

The Company's primary sources of liquidity at June 30, 2009, were cash and cash equivalents of \$116.6 million, short-term investments of \$0.6 million, an annually renewable \$25.0 million line of credit with Deutsche Bank AG, a long-term loan with Deutsche Bank AG of \$7.1 million and several other lines of credit to support foreign subsidiaries in their local currencies in an aggregate amount of \$90.8 million (translated at the applicable exchange rate at June 30, 2009). As of June 30, 2009, \$3.2 million, which is due in the short term, was outstanding under the \$25.0 Deutsche Bank facility, \$7.1 million was outstanding from the long-term loan with Deutsche Bank and \$30.4 million (of which \$25.5 million is due in the short term) under other lines of credit. Approximately \$82.2 million was unused and available under the Company's bank facility and lines of credit at June 30, 2009. The Company is subject to financial covenants, which could restrict the Company from drawing money under these lines of credit. At June 30, 2009, the Company was in compliance with these covenants and continues to believe that they will be in compliance for the next 12 months.

Cash and cash equivalents increased by \$2.1 million during the nine months ended June 30, 2009. Approximately \$45.0 million in cash and cash equivalents were provided by operating activities, primarily as the result of a decrease in accounts receivables and inventories partially offset by a decrease in accounts payable and accrued liabilities.

Net cash used in investing activities totaled \$14.6 million for the nine-month period ended June 30, 2009, and primarily related to the acquisition of businesses (\$12.3 million), various additions to property and equipment (\$6.0 million), purchases of short-term investments (\$2.2 million), offset by the sale of short-term and long-term investments (\$5.6 million).

Net cash used in financing activities totaled \$26.1 million for the nine-month period ended June 30, 2009, and was primarily related to current period net repayments on short-term loans with banks.

Management believes that the Company's 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, 2008, 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 70% of our sales have been denominated in other currencies, primarily the Euro, British pound, Swiss francs, Swedish krona, Singapore dollar, Taiwanese dollar, Korean won, Canadian dollar, Chinese RMB, 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 \$29.4 million at June 30, 2009, as compared to \$71.9 million at June 30, 2008.

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 Form 10-K for the fiscal year ended September 30, 2008. 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, 2009, 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, 2009	Number of Exercisable Stock Options Owned at June 30, 2009
Peter Wirth	12,600	302,000	234,000
Gunther Braun	6,000	610,000	402,000
Carl F. Baasel	128,000	24,000	16,000
Ralph E. Reins (1)	18,000	--	--
Gary K. Willis (1)	33,000	--	--
Daniel Smoke (1)	23,000	--	--
Stephan Fantone (1)	10,700	--	--

(1) Outside, non-executive directors

Item 3. Quantitative and Qualitative Disclosures about Market Risk

For the nine-month period ended June 30, 2009, 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, 2008.

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, 2009, the Company maintained cash equivalents and short-term investments of \$53.3 million, consisting mainly of interest bearing securities and demand deposits. If interest rates were to increase or decrease by 10%, interest income would increase or decrease by approximately \$0.1 million.

At June 30, 2009, the Company had \$2.4 million of variable rate debt on which the interest rate is reset every three months, \$8.5 million of variable rate debt on which the interest rate is reset every six months, and \$29.7 million of fixed rate debt. Maturities of this debt are as follows: \$20.9 million is due in 2009, \$8.6 million is due in 2010, \$0.7 million is due in 2011, \$0.6 million is due in 2012, \$7.3 million is due in 2013, \$0.3 million is due in 2014 and \$2.2 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 less than \$0.1 million.

Additionally, the Company has entered into interest swap agreements of total notional amount of Euro 4.0 million (equivalent to \$5.6 million based on the exchange rate at June 30, 2009) 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, 2009, the Company held Japanese yen forward exchange options with notional amount of less than Euro 0.2 million and Japanese yen forward exchange options with notional amount of less than \$0.1 million. The profit or loss resulting from a 10% change in currency exchange rates would vary approximately from less than \$0.1 million profit to \$0.1 million loss.

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 quarterly period 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 and a response from the licensor was received in January 2009. Meanwhile the Company and the licensor are in the process of selecting a mutually agreeable independent auditor. 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 operations, 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, 2008. See also, "Overview" and "Forward-Looking Statements" included in this Quarterly Report on Form 10-Q. Set forth below is an additional risk factor that we have recently identified in light of the current economic conditions.

The current economic conditions could materially adversely affect our financial condition and results of operations.

The current economic crisis is having a significant negative impact on businesses around the world. Our results can be impacted by a number of macroeconomic factors, including but not limited to consumer confidence and spending levels, unemployment, consumer credit availability, global factory production, and credit market conditions.

The downturn in the economy may continue to affect sales of our products for the foreseeable future and adversely impact our results of operations.

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

None.

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.

(Registrant)

Date: August 10, 2009

/s/ Gunther Braun

Gunther Braun
President, Chief Executive Officer,
and Director

/s/ Ingrid Mittelstaedt

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 10, 2009

/s/ Gunther Braun

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 10, 2009

/s/ Ingrid Mittelstaedt

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, 2009 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 10, 2009

/s/ Gunther Braun

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, 2009 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 10, 2009

/s/ Ingrid Mittelstaedt

Ingrid Mittelstaedt

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