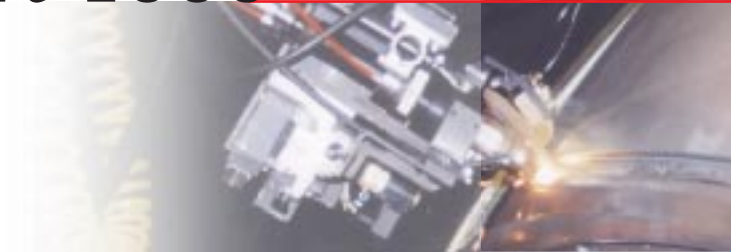


annual report 1999



Financial Highlights

(FY ended September 30)

Results of operations

(in thousands, except per share data and employees)

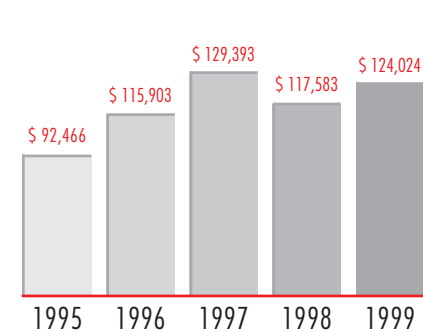
	1995	1996	1997	1998	1999
Net sales	\$ 92,466	\$ 115,903	\$ 129,393	\$ 117,583	\$ 124,024
Gross profit	\$ 35,304	\$ 43,807	\$ 46,411	\$ 43,107	\$ 41,794
Income from operations	\$ 7,912	\$ 13,226	\$ 13,233	\$ 10,491	\$ 5,939
Net income	\$ 3,213	\$ 7,288	\$ 8,954	\$ 6,681	\$ 3,633
Net income per diluted share <small>(based on weighted average shares outstanding)</small>	\$ 0.37	\$ 0.84	\$ 0.77	\$ 0.58	\$ 0.32
Number of employees <small>(as of September 30)</small>	407	453	500	552	597
Sales per employee	\$ 227	\$ 256	\$ 259	\$ 213	\$ 208
Order backlog	\$ 26,500	\$ 35,900	\$ 29,100	\$ 35,900	\$ 41,000

Balance sheet

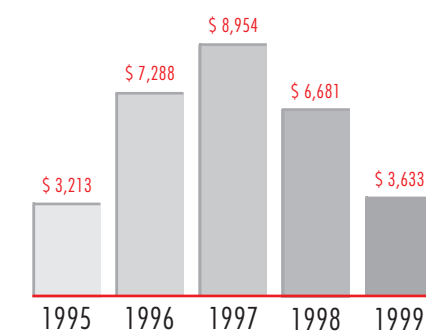
(in thousands)

	1995	1996	1997	1998	1999
Total assets	\$ 90,995	\$ 133,147	\$ 132,189	\$ 143,742	\$ 147,820
Total liabilities	\$ 51,322	\$ 55,147	\$ 50,264	\$ 52,977	\$ 57,144
Stockholders' equity	\$ 39,673	\$ 78,000	\$ 81,925	\$ 90,765	\$ 90,676

Net sales



Net income



The Company

With almost 25 years

of experience in laser technology, **ROFIN-SINAR** has successfully focused its strategy on being an innovative leader in the industrial laser market and has consistently demonstrated its determination to deliver the most powerful and innovative manufacturing tools to a wide range of industries.

Headquartered in Plymouth, Michigan and Hamburg, Germany, the Company is one of the world's leading manufacturers of industrial laser sources with production facilities in the USA, Germany, Japan and UK. It offers support from its various sales and service offices located at strategic centers around the globe and has an installed base of over 6,000 lasers operated by more than 1,500 customers.

The Company's stock is traded on the NASDAQ National Market System under the symbol RSTI.



Board of directors

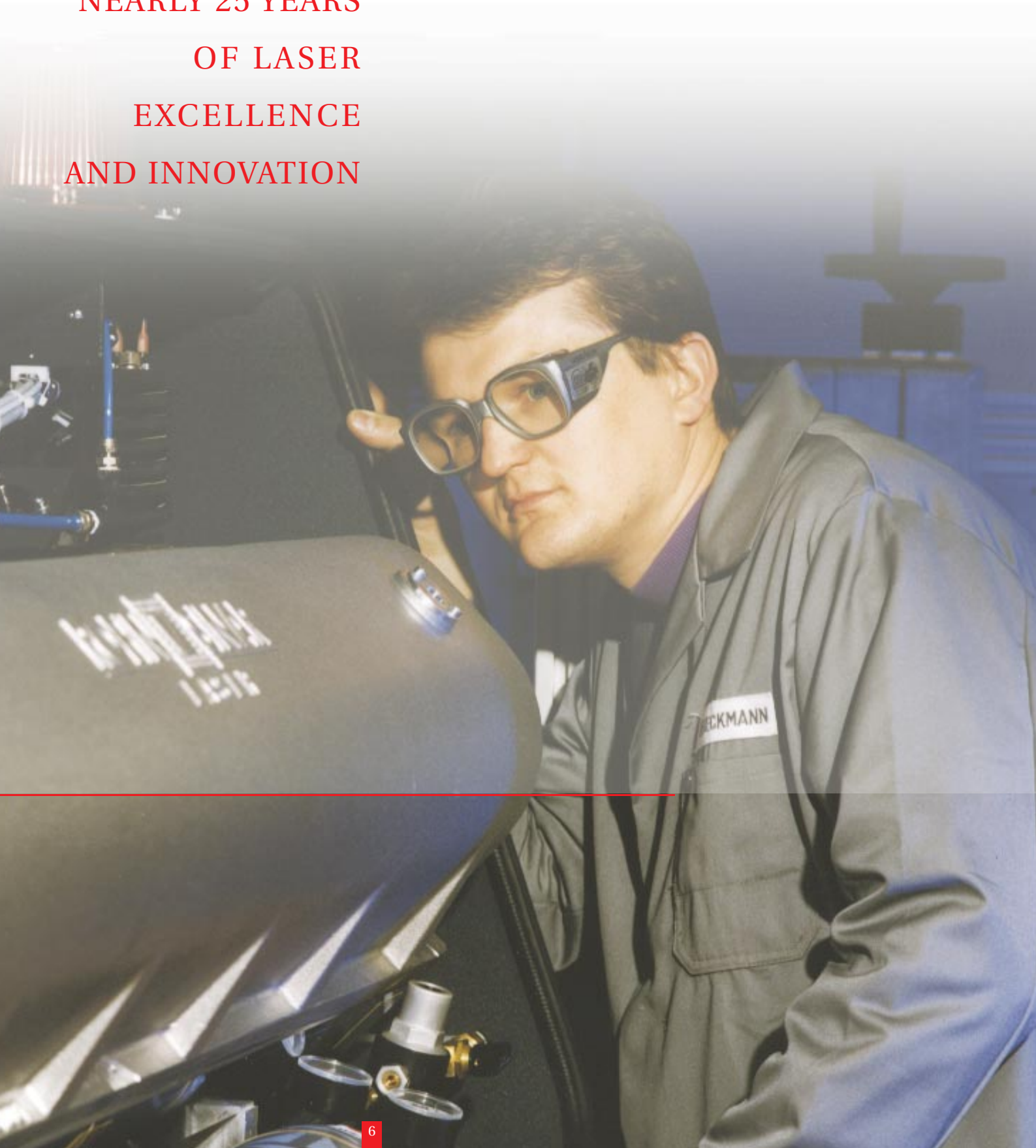
*Günther Braun
Gary K. Willis
Ralph E. Reins
William R. Hoover*

*Hinrich Martinen
Dr. Peter Wirth*

THE
POWER
OF
LIGHT

To our Shareholders, Customers and Employees

NEARLY 25 YEARS
OF LASER
EXCELLENCE
AND INNOVATION



In the financial year,

ended September 30th, 1999, sales increased by 5.5% to \$124 million. Strong sales in Europe more than compensated for the weaker North American and Asian markets. The recovery of the semiconductor industry resulted in a strong fourth quarter, where record highs in marker shipments and order intake were achieved.

Income from operations amounted to \$5.9 million, a sharp decrease from the \$10.5 million we achieved the year before. The reasons for this decline were: lower sales of marking lasers during the first nine months of the year, higher than planned production costs of the Slab laser models, and the start-up losses in our UK operation. As a consequence, net profit amounted to \$3.6 million, or \$0.32 per share.

To secure quality and delivery, in July, 1999, we bought a majority stake in Rasant-Alcotec Beschichtungstechnik GmbH, a company which has specialized in high-purity grade aluminum coating, - a process which is essential in our Slab laser production.

Our balance sheet remained strong year after year. The favorable cash position of \$36.8 million permits flexibility for potential external growth.

Cutting/Welding

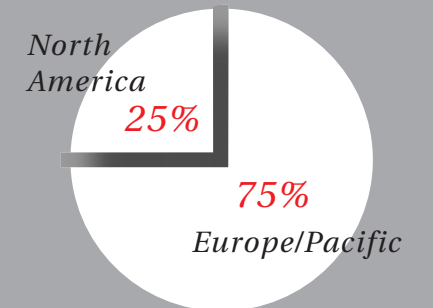
Sales from our cutting and welding business increased by \$9.6 million or 12% to \$88 million. Europe was the base for this growth with a strong demand for high-power welding systems and a solid OEM-market for cutting lasers. An additional positive impact came from the sales of our diode lasers, which more than doubled compared to the previous year.

During the end of the fiscal year we were also able to ship the first high power, diode pumped, solid-state lasers to automotive customers. This new product line has high growth potential, especially in the automotive industry, where the welding of car bodies and the cutting of hydroformed parts are the key applications.

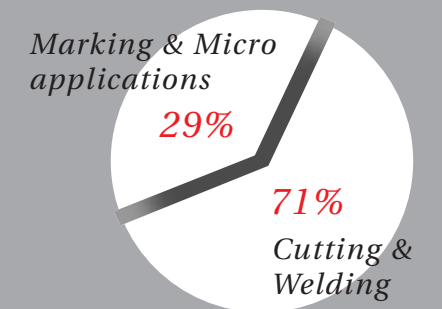
Marking

Sales of lasers for marking decreased by 8% to \$36.0 million, caused by a weak semiconductor market during the first part of the year. These sales included our new BLAZER FlexScan® units, manufactured in the UK and used for marking consumer goods "on the fly." Fortunately, the semiconductor business bounced back in the fourth quarter, resulting in a record high backlog of \$17 million in the marker business. Technologically, the trend to diode-pumped lasers can also be seen for marking applications. This trend clearly favors ROFIN-SINAR with its own production capability at DILAS. Also, our new Windows-NT®-based marking software was well received by the market.

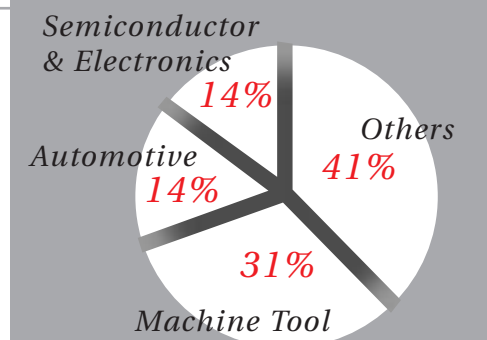
Geographical



Business Units



Industry



**THE FIRST
HIGH POWER,
DIODE PUMPED,
SOLID-STATE
LASERS
ARE SHIPPED**

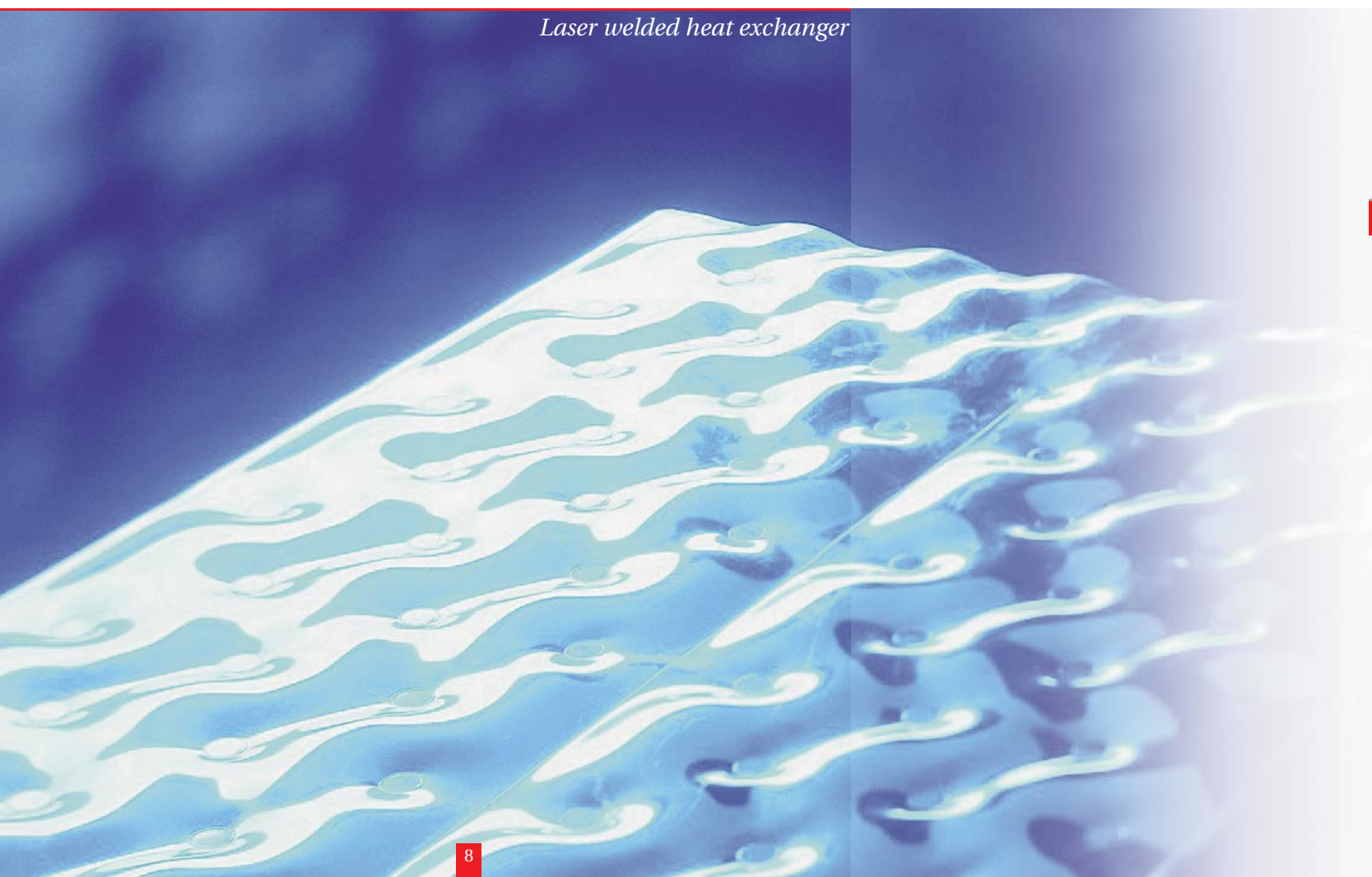
Future outlook

Besides cross selling our wide product range to our strong and steadily increasing customer base, finding new laser applications with promising growth potential is our challenge. With new diode pumped, solid-state lasers in the multikilowatt range, ROFIN-SINAR has a unique market position.

We will push this technology forward and as the demand for diode lasers and diode pumped, solid-state lasers continues to grow, we plan to at least double our laser diode production capability at DILAS.

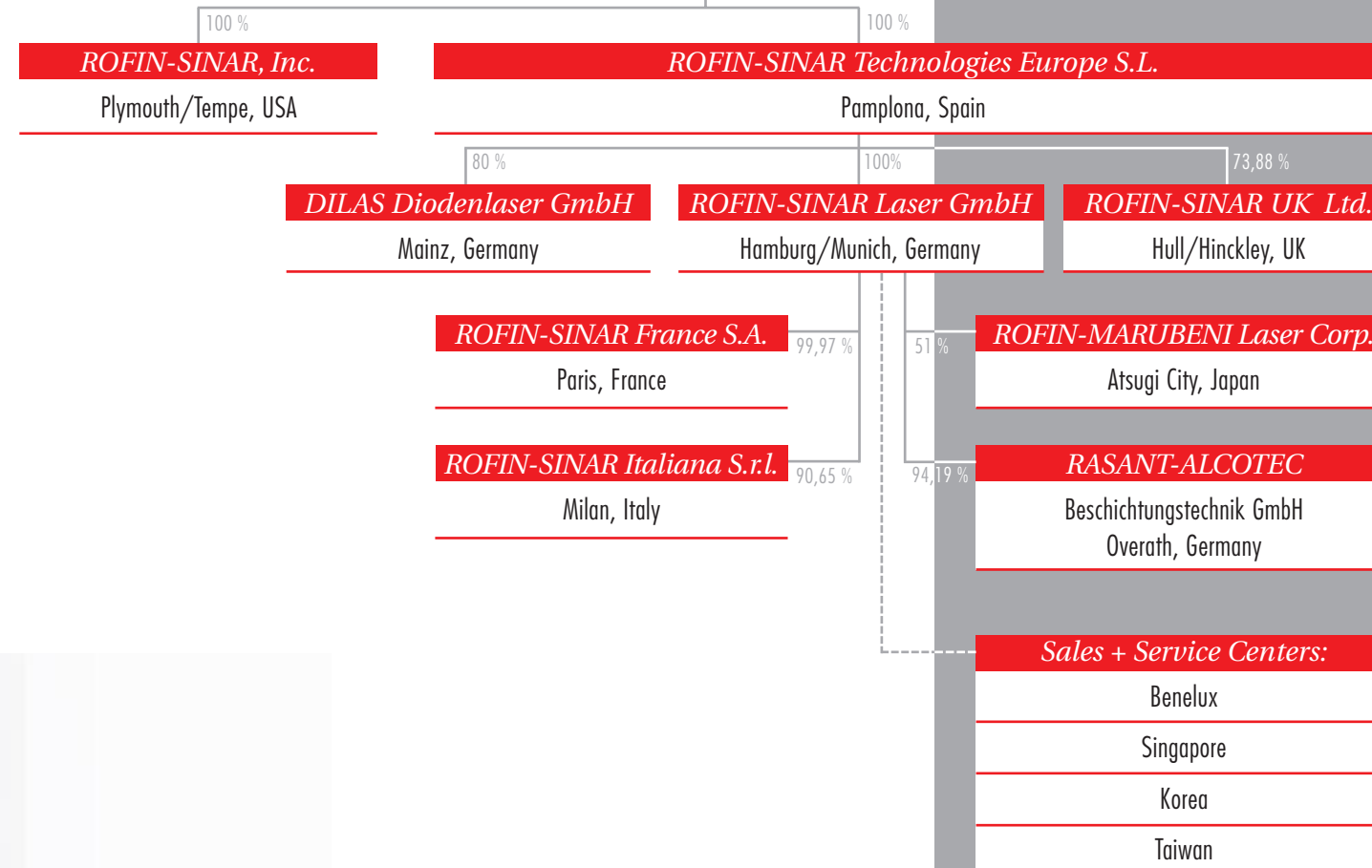
Special focus will also be given to the low-power CO₂ laser business. Our objectives are to increase the available laser output power to widen the application range and strengthen our existing OEM-customer relationships.

Laser welded heat exchanger



ROFIN-SINAR Technologies, Inc.

Plymouth, USA/Hamburg, Germany



Optimizing

our production structure in all our plants and reducing material costs are our main goals for fiscal year 2000 to get the company back on the previous year's earnings track and improve shareholder value.

Sincerely,

Dr. Peter Wirth
Chairman of the Board and CEO

AUTOMOTIVE - we are a partner for joint developments

LASERS OPEN UP
NEW TECHNICAL
AND ECONOMIC
OPPORTUNITIES

Traditionally,

the automotive industry has utilized the advantages of laser processing and for many years played a key role in application developments. ROFIN-SINAR provides an extensive range of laser systems to the automotive industry, worldwide, which accounted for 14% of total sales during fiscal 99. In addition to the major car manufacturers, many leading component and part suppliers have implemented laser processing to provide state-of-the-art capabilities to remain competitive.

Cost factors and the demand for lightweight designs force car manufacturers and sub-suppliers to embrace new manufacturing solutions. Lasers have clearly provided new technical and economic opportunities in this area.

Automotive use of lasers started nearly 20 years ago with the production of transmissions, where lasers welded fully machined parts to their final dimensions without creating excessive heat distortion and subsequent loss of tolerance. The cutting of three-dimensional parts for prototype development and low-volume lot sizes followed. Soon, welding of automotive body parts was also tested. Laser welding became broadly accepted when the numerous advantages of tailored blanks were recognized.

All these applications have steadily improved and still result in a substantial amount of CO₂ and solid-state lasers delivered. The choice of laser type not only depends on the application but also on the system concept. For example, the use of robots favor Nd:YAG lasers, which can be used in combination with fiber-optic beam delivery.

The demand for reduced fuel consumption, increased safety and improved emission standards has created many new opportunities for lasers; hydraulic valve lifters, injection nozzles, air bags, oxygen sensors, anti-lock brake components, mufflers and stainless steel exhaust tubes. All these parts have been designed with one or more laser welds.



Laser marked housing



*Welding of
injection nozzles*



Remote welding system



*Laser welding with diode pumped,
solid-state laser*

It is in the cutting

of hydroformed parts, where our new range of high power, diode pumped, solid-state lasers show their strength, or welding of aluminum components, where our Slab laser, with its excellent beam quality, proves its merits. Perforating dash boards to allow a controlled explosion of the front passenger airbag and cutting the textile material for various air bag sizes are other successful applications for the same type of laser. New products such as direct diode lasers are opening up promising applications like hardening of door springs or welding of plastic components.

Last, but not least,

laser marking of many different components for traceability is state-of-the-art. A substantial number of safety related parts are laser marked for permanent identification. Also, control buttons for effective night features on dash boards are laser marked. More recently, laser marking and cutting of plastic labels to size have helped the automotive industry manage "just-in-time" assembly for a wide variety of different models, each with numerous options.

ROFIN-SINAR

sees a bright future for its products in this market as the automotive industry is putting considerable efforts towards the design of even more lightweight and stiffer steel bodies. The result of the ULSAB project (Ultra Light Steel Auto Body), a cooperative effort by 35 companies from 18 nations, is the proven feasibility of manufacturing automobiles which are 25% lighter and achieve 80% higher stiffness than a conventional auto body. In this chassis, 18 meters of tailored blanks are laser welded.



Welding of tailored blanks

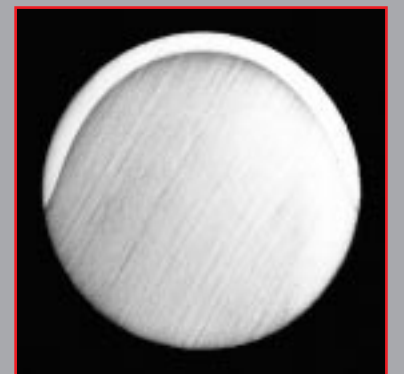
**SAFETY RELATED
PARTS ARE LASER
MARKED FOR
PERMANENT
IDENTIFICATION**



Car door springs



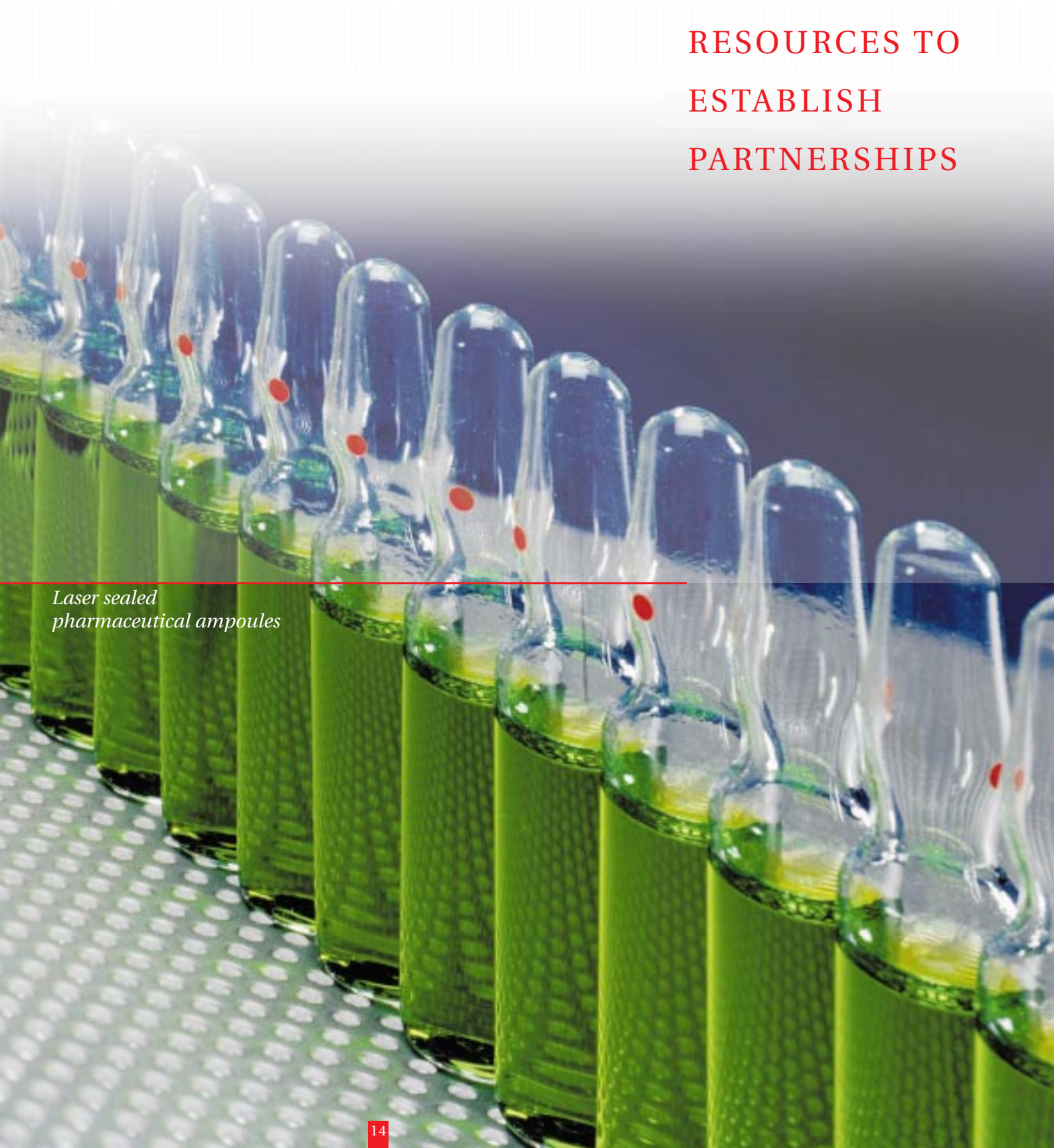
Laser hardening with direct diode laser



Cross section of the hardened area

OEM-Market - we deliver standard products

DEVOTING
RESOURCES TO
ESTABLISH
PARTNERSHIPS



*Laser sealed
pharmaceutical ampoules*

In our definition,

OEM-customers are companies who have an ongoing production of standard machines. They buy laser sources from us in a standard, well defined configuration without requiring adaptation to special end-user needs.

Cutting of die boards and flat steel sheets using CO₂ lasers started nearly at the same time, approximately 20 years ago. Flexibility for contours, various materials and thicknesses to be processed with one laser have been and still are the key advantages, which made cutting the first standardized laser application.

Initially flat sheet material was moved under a fixed laser beam, as with steel in combination with a punch press. More sophisticated moving laser beam systems were developed, where the part remained fixed and the laser beam was steered perpendicularly over the material surface, even in three dimensions.

Processing speed, material thickness and program user-friendliness has continuously improved over the years, driven by an increasing demand for faster and just-in-time production in various industries. At the same time, higher and higher laser output powers have become available and the laser is now a widely accepted "black box" for standard machine tools on the production floor.

Based on this strong demand, various machine tool companies adopted laser cutting technology and developed standardized systems. Some companies even started their own laser source development.

ROFIN-SINAR has been able to develop a strong OEM-customer base in different countries. The proprietary Slab laser has become a well accepted laser tool, especially suited for high-speed cutting of thinner materials, but also covering the entire range of cutting applications.

With the continuing success of industrial laser applications, more and more companies are entering the systems market, most of which are working so far with conventional technologies. The clear economic advantages that a modern laser beam source offers for a large variety of applications, forces system manufacturers to seriously consider this tool, e.g. replacing plasma cutting with laser cutting for hydroformed parts using robots.

Recently, some OEM-customers manufacturing welding equipment have been developing robotic welding systems, which process components using fiber optics.



*Sealed-off laser mounted
on a robot*



*High-speed cutting with
Slab laser*



*Cutting with diode pumped,
solid-state laser*

Semiconductor and Electronics - we deliver speed

MARKING OF
INTEGRATED
CIRCUIT
HOUSINGS
IS OUR MAIN
FOCUS

Laser marked Chip-Scale-Package



Laser Marking

is ROFIN-SINAR's primary application in the semiconductor and electronics industry. With the steadily increasing marking speed, the marking of integrated circuit housings became our main focus. The current drive toward miniaturization and compact packing in the electronic industry created additional technical challenges and business opportunities for us during the last few years.

To better address the requirements of this highly sophisticated market, we developed marking lasers where the conventional flash lamps were replaced by laser diodes, and also lasers which are able to mark with green laser light.

Our unique Through-The-Lens (TTL) vision system is an integral part of our laser marking solution. It can recognize the part location and allows exact positioning and inspection of the marking content.

Not only integrated circuits require marking. Many components like batteries, switches, relays and fuses need identification and the marking of keyboards, touch pads, printed circuit boards have become a steadily increasing business for us.

The possibility of marking characters, logos, bar codes or ID matrix codes with the same laser by only giving different programming commands, substantially enhances its flexibility and durability. As a result, the laser beam has become an even more effective and powerful marking tool.



Flexible keyboard marking



*Through-The-Lens (TTL)
vision system*



*Soldering with
direct diode laser*

Various Industries - we deliver solutions

Clearly,

twenty years of implementing advanced laser technology for industrial applications is just the beginning. Tomorrow's challenges for new cost effective solutions, materials, miniaturization etc. will surely lead to a continuation of rapid growth for high-performance industrial lasers.

ROFIN-SINAR's commitment to close cooperation with manufacturing end-users, OEM-suppliers, integrators and research centers and our combined imagination will assure a bright and exciting future for advanced laser processes.



*Laser cut
medical implants*

SOLUTIONS FOR
UNIQUE
MANUFACTURERS
AND PRODUCERS
OF CUSTOMER
GOODS



Laser marked ear tag



Laser marked shaver



*Marking three-dimensional
images into the interior
of glass objects*

The diversity

of laser customers is widespread and ranges from sophisticated manufacturers like aircraft companies to producers of consumer goods; such as shavers, light bulbs, special products or personalized gifts.

There are many niches where lasers can be used successfully. Laser applications falling in this category are the marking of ear tags for animals (so that they can be traced), the marking of credit cards, the welding of diamond equipped sintered tips onto saw blades, which are used for cutting of concrete, or the drilling of tiny holes in polished marble to make it anti-slip.

Processing of marble



All these applications

require a sales force which is highly innovative, has a good understanding of general production methods and the ability to apply the special advantages that a laser can offer. Their efforts with potential customers must be supported by a well equipped and functioning applications lab, where each laser application can be optimized; resulting in a reliable, cost effective, safe and easy to operate production process.

Since applications

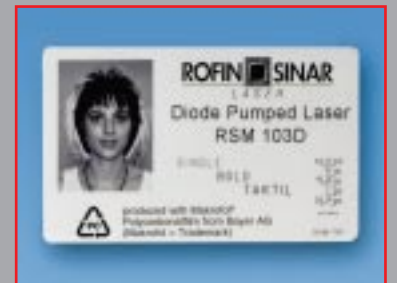
are not always straight-forward, system concepts often have to be developed by the laser manufacturer to demonstrate and re-assure end-users of the benefits provided. Therefore, ROFIN-SINAR employs a small group of highly experienced systems engineers, who can develop viable solutions and assist the customer during the installation of his initial laser equipment.

After a successful installation of their first laser, customers frequently place repeat orders for the same or similar systems, as the benefits of the latest laser technologies are realized.

**FINDING
SOLUTIONS FOR
CUSTOMERS
SPECIFIC
APPLICATIONS
IS ONE OF OUR
MAIN QUALITIES**



Marking "best before" dates on beer cartons



Personalized Smart Card



Customized faucet

ROFIN-SINAR's industrial lasers



ROFIN DC 025



ROFIN DY 022



ROFIN DL 025

Series

CO₂ Laser:

ROFIN SC	100-300 W
ROFIN DC	1000-3500 W
ROFIN HF	4000-8000 W
ROFIN SR	12000-20000 W

Nd:YAG Laser:

ROFIN Spotwelder	50 W
ROFIN P/CW	150-300 W
ROFIN P	50-1000 W
ROFIN DY	550-4400 W

Diode Laser:

ROFIN DL	30-3000 W
ROFIN DL-S	750-2500 W
ROFIN DL-H	4000-6000 W
ROFIN DF	30-2200 W

Marking Products:

ROFIN DP Marker	3-100 W
ROFIN S-Line	75 W
ROFIN Power Line	10-130 W
ROFIN Combi Line	Marking System
ROFIN IC Marker	IC-Marking System
ROFIN Label Marker	Label-Marking System
BLAZER FlexScan®	Dot-Matrix Marker



ROFIN DL 015 S



ROFIN HF 880



ROFIN Power Line 50 D



ROFIN DF x06



BLAZER FlexScan®

Our worldwide locations

ROFIN-SINAR Technologies, Inc.
45701 Mast Street
Plymouth, MI 48170, USA
Tel.: +1-734-455-5400
Fax: +1-734-455 2741
info@rofin.com

Headquarters

ROFIN-SINAR Laser GmbH
Berzeliusstraße 83
D-22113 Hamburg, Germany
Tel.: +49-(0)-40-7 33 63-0
Fax: +49-(0)-40-7 33 63 100

ROFIN-SINAR, Inc.
45701 Mast Street
Plymouth, MI 48170, USA
Tel.: +1-734-455-5400
Fax: +1-734-455 2741

Production sites/ Subsidiaries/ Joint Ventures

ROFIN-SINAR Laser GmbH
Marking Division
Neufeldstraße 16/Günding
D-85232 Bergkirchen, Germany
Tel.: +49-(0)-81 31-704-0
Fax: +49-(0)-81 31-704 100

ROFIN-SINAR UK Ltd
York Way, Willerby
Kingston upon Hull
HU10 6HD, United Kingdom
Tel.: +44-(0)-1482-6500-88
Fax: +44-(0)-1482-6500 22

ROFIN-SINAR Italiana S.r.l.
Via Galilei, 1
I-20090 Rovagnasco
di Segrate (MI), Italy
Tel.: +39-02-2169 51-1
Fax: +39-02-269 20 549

ROFIN-SINAR France S.A.
10, Allée du Cantal
Z.I. La Petite Montagne Sud
F-91018 Evry Cedex, France
Tel.: +33-(0)-1-6911-3636
Fax: +33-(0)-1-6911 3639

ROFIN-MARUBENI Laser Corp.
Sun-Intelligent Building 4F,
3162 Sakai, Atsugi-shi
Kanawaga-ken, 243-0022 Japan
Tel.: +81-(0)-462-298-655
Fax: +81-(0)-462-298 541

DILAS Diodenlaser GmbH
Galileo-Galilei-Straße 10
D-55129 Mainz, Germany
Tel.: +49-(0)-6131-9226-0
Fax: +49-(0)-6131-9226 57

ROFIN-SINAR Technologies Europe S.L.
Paseo Premín de Iruña 4
E-31008 Pamplona, Spain

Sales + Service Centers

ROFIN-SINAR Laser GmbH
Brussels Office
Rue Abbé Cuyppers, 3
B-1040 Brussels, Belgium
Tel.: +32-(0)-2-74 12-427
Fax: +32-(0)-2-74 12 404

ROFIN-SINAR UK Ltd.
Hinckley Office
P.O. Box 27, Hinckley
Leicestershire LE 10 0FB,
United Kingdom
Tel.: +44-(0)-1455-250-570
Fax: +44-(0)-1455-631373

ROFIN-SINAR Laser GmbH
Korean Office
Chungmu Bldg. 504-2
44-13 Youdo-Dong
Youngdeungpo-Gu, Seoul 150-010,
Korea
Tel.: +82-2-786-2400
Fax: +82-2-786 1062

ROFIN-SINAR Laser GmbH
Taiwan Office
4F-4, No.15, Lane 360, Section 1
Nei-Hu Road
Taipei, Taiwan, Rep. of China 114
Tel.: +886-2-8797-1358
Fax: +886-2-8797 1367

ROFIN-SINAR Laser GmbH
Singapore Office
Block 5004 Ang Mo Kio Ave # 05-08
TECHplace II
Singapore 569872
Tel.: +65-482-1091
Fax: +65-482 1158

ROFIN-SINAR, Inc.
Marking Division
1515 West University Drive
Suite 105
Tempe, AZ 85281, USA
Tel.: +1-480-77 71 199
Fax: +1-480-51 79 684

Corporate information

ROFIN-SINAR Technologies, Inc.
45701 Mast Street
Plymouth, MI 48170, USA
Tel.: +1-734-455-5400
Fax: +1-734-455 2741
www.rofin.com

Board of directors:

Dr. Peter Wirth
Chairman of the Board
Chief Executive Officer
President

Hinrich Martinen
Executive Vice President
Chief Technical Officer

Günther Braun
Executive Vice President
Chief Financial Officer

Ralph E. Reins
Chairman and
Chief Executive Officer of Qualitor, Inc.

William R. Hoover
Chairman of the Executive Committee
of Computer Sciences Corporation

Gary K. Willis
Chairman and Director of
Zygo Corporation
Member of the Board of Directors of
Benthos Corporation
Member of the Board of Directors of
Middlesex Health Services

Auditors

KPMG LLP
Detroit, Michigan

Transfer agent and registrar

The Bank of New York
New York, NY

Common stock

ROFIN-SINAR Technologies, Inc.
trades on NASDAQ's National Market
System under the Symbol "RSTI"



ROFIN-SINAR Technologies, Inc.
45701 Mast Street, Plymouth, MI 48170, USA
Tel.: +1-734-455-5400, Fax: +1-734-455 2741

ROFIN-SINAR Laser GmbH
Berzeliusstraße 83, D-22113 Hamburg, Germany
Tel.: +49-(0)-40-7 33 63-0, Fax: +49-(0)-40-7 33 63 100