

Quarterly Report

3rd Quarter Fiscal 2002

Apr. 1, 2002 - Jun. 30, 2002



ROFIN-SINAR Technologies Inc.

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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, 2002

Commission file number: 000-21377

ROFIN-SINAR TECHNOLOGIES INC.

(Exact name of registrant as specified in its charter)

Delaware

38-3306461

(State of 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

11,551,800 shares of the registrant's common stock, par value \$0.01 per share, were outstanding as of August 14, 2002.

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ROFIN-SINAR TECHNOLOGIES INC.

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PART I. FINANCIAL INFORMATION
Rofin-Sinar Technologies Inc. and Subsidiaries
Condensed Consolidated Balance Sheets
(dollars in thousands)

	June 30, 2002 (Unaudited)	September 30, 2001 (Audited)
	-----	-----
ASSETS		
Current Assets		
Cash and cash equivalents	\$ 20,465	\$ 13,487
Accounts receivable, trade, net	54,221	55,412
Inventories (Note 3)	76,688	70,328
Other current assets and prepaid expenses	8,716	8,870
	-----	-----
Total current assets	160,090	148,097
Property and equipment, net	25,326	22,846
Goodwill, net	51,347	51,445
Other assets	1,363	2,362
	-----	-----
Total assets	\$ 238,126	\$ 224,750
	=====	=====
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Line of credit and short term borrowings	\$ 24,226	\$ 27,528
Accounts payable, trade	14,044	12,325
Accounts payable to related party	7,814	6,349
Accrued liabilities	36,239	36,486
	-----	-----
Total current liabilities	82,323	82,688
Long-term debt	41,357	36,784
Pension obligations	6,120	5,120
Minority interests	1,047	859
Other long-term liabilities	272	248
	-----	-----
Total liabilities	131,119	125,699

Stockholders' equity		
Preferred stock, 5,000,000 shares authorized, none issued or outstanding	0	0
Common stock, \$0.01 par value, 50,000,000 shares authorized, 11,550,300 (11,546,500 at September 30, 2001) issued and outstanding	115	115
Additional paid-in-capital	76,147	76,123
Retained earnings	36,994	34,360
Accumulated other comprehensive loss	(6,249)	(11,547)
	-----	-----
Total stockholders' equity	107,007	99,051
Total liabilities and stockholders' equity	\$ 238,126	\$ 224,750
	=====	=====

See accompanying notes to condensed consolidated financial statements

Rofin-Sinar Technologies Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)
Periods Ended June 30, 2002 and 2001
(dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2002	2001	2002	2001
Net sales	\$ 55,569	\$ 54,124	\$ 157,738	\$ 166,200
Cost of goods sold	37,630	33,145	101,860	101,182
Gross profit	17,939	20,979	55,878	65,018
Selling, general, and administrative expenses	11,117	10,689	33,179	30,463
Research and development expenses	3,699	3,530	9,935	11,215
Special charge (Note 2)	--	700	--	700
Goodwill amortization	956	899	2,773	2,700
Income from operations	2,167	5,161	9,991	19,940
Other expense (income):				
Interest income	(90)	(317)	(248)	(999)
Interest expense	727	1,023	2,831	3,426
Other expenses (income)	(1,370)	564	(1,203)	319
Income before income taxes and minority interest	2,900	3,891	8,611	17,194
Income tax expense	1,586	1,298	5,376	7,948
Income before minority interest	1,314	2,593	3,235	9,246
Minority interest	58	161	601	690
Net income	\$ 1,256	\$ 2,432	\$ 2,634	\$ 8,556
Net income per common share (Note 4):				
Basic	\$ 0.11	\$ 0.21	\$ 0.23	\$ 0.74
Diluted	\$ 0.11	\$ 0.21	\$ 0.23	\$ 0.74
Weighted average shares used in computing net income per share (Note 4):				
Basic	11,551,800	11,542,700	11,551,800	11,542,700
Diluted	11,619,614	11,657,712	11,599,403	11,596,340

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, 2002 and 2001
(dollars in thousands)

<TABLE>

	Common Stock Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income(loss)	Total Stockholders' Equity
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
BALANCES at September 30, 2001	\$ 115	\$ 76,123	\$ 34,360	\$(11,547)	\$ 99,051
Comprehensive income:					
Foreign currency translation adjustment	--	--	--	5,032	5,032
Change in fair value of cash flow hedges net of taxes	--	--	--	266	266
Net income	--	--	2,634	--	2,634
Total comprehensive income					----- 7,932
Common stock issued	--	24	--	--	24
BALANCES at June 30, 2002	\$ 115	\$ 76,147	\$ 36,994	\$ (6,249)	\$ 107,007
	=====	=====	=====	=====	=====
BALANCES at September 30, 2000	\$ 115	\$ 76,049	\$ 27,145	\$(12,590)	\$ 90,719
Comprehensive income:					
Foreign currency translation adjustment	--	--	--	(1,752)	(1,752)
Change in fair value of cash flow hedges net of taxes	--	--	--	(874)	(874)
Net income	--	--	8,556	--	8,556
Total comprehensive income					----- 5,930
Common stock issued	--	43	--	--	43
BALANCES at June 30, 2001	\$ 115	\$ 76,092	\$ 35,701	\$(15,216)	\$ 96,692
	=====	=====	=====	=====	=====

</TABLE>

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, 2002 and 2001
(dollars in thousands)

	Nine Months Ended June 30,	
	2002	2001
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income	\$ 2,634	\$ 8,556
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in operating assets and liabilities	5,827	(9,607)
Other adjustments	4,940	5,242
	13,401	4,191
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of property and equipment	133	92
Additions to property and equipment	(3,370)	(3,378)
Acquisition of business, net of cash acquired	--	(2,565)
Cash proceeds from sale of medical laser business	938	--
	(2,299)	(5,851)
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from banks	5,503	52,852
Repayment to banks	(4,416)	(53,555)
Net repayments on line of credit	(5,114)	(13,812)
Other	(429)	(565)
	(4,456)	(15,080)
Effect of foreign currency translation on cash and cash equivalents	332	(1,080)
Net increase (decrease) in cash and cash equivalents	6,978	(17,820)
Cash and cash equivalents at beginning of period	13,487	28,973
Cash and cash equivalents at end of period	\$ 20,465	\$ 11,153

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. Summary of Accounting Policies

The accompanying consolidated condensed financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America, consistent with those reflected in the Company's annual report to stockholders for the year ended September 30, 2001. All adjustments necessary for a fair presentation have been made which comprise only normal recurring adjustments; however, interim results of operations are not necessarily indicative of results to be expected for the year. September 30, 2001 balances are derived from audited financial statements; however, interim period amounts have not been audited.

Certain prior period amounts have been reclassified to conform to the current year presentation. These reclassifications had no impact on net income or stockholders equity for the periods presented.

2. Dispositions

On October 5, 2001, the Company sold the assets of its medical laser business resulting in a gain of \$0.7 million. As part of the proceeds from the sale, the Company received marketable equity securities which have been classified as trading securities, under "other current assets and prepaid expenses" in the accompanying balance sheet, as the Company intends to sell these securities in the near term. During the nine months ended June 30, 2002, the Company recorded an unrealized gain of \$0.1 million related to such securities.

3. 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, 2002	September 30, 2001
	-----	-----
Raw materials and supplies	\$ 20,415	\$ 18,430
Work in progress	23,433	19,975
Service parts	15,845	14,986
Finished goods	9,546	7,612
Demonstration inventory	7,449	9,325
	-----	-----
Total inventories, net	\$ 76,688	\$ 70,328
	=====	=====

4. Net Income Per Common Share

Basic earnings per common share is computed by dividing net income by the weighted average number of common shares outstanding during the period. Diluted earnings per common share reflects the potential dilution from common stock equivalents (stock options). The calculation of the weighted average number of common shares outstanding for each period is as follows:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2002	2001	2002	2001
Weighted average number of shares for BASIC net income per common share	11,551,800	11,542,700	11,551,800	11,542,700
Potential additional shares due to outstanding dilutive stock options	67,814	115,012	47,603	53,640
Weighted average number of shares for DILUTED net income per common share	11,619,614	11,657,712	11,599,403	11,596,340

Excluded from the calculation of diluted EPS for the three months ended June, 30, 2002, and June 30, 2001, were 421,000 and 213,000 outstanding stock options, respectively. These could potentially dilute future EPS calculations but were not included in the current period because their effect was antidilutive.

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". 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.

During the third quarter of fiscal years 2002 and 2001, respectively, we realized approximately 53% and 51% of revenues from the sale and servicing of laser products for macro applications and approximately 47% and 49% from the sale and servicing of laser products for marking and micro-machining applications.

Management believes that future growth in the Company's macro business will become more difficult in the current market environment for investment in capital goods. In the Company's marking and micro business management sees some positive developments from the semiconductor and electronics market which should lead to increased sales in the coming quarters. Our diode laser products, which are sold primarily in our macro business, have experienced quality issues that have affected the performance of certain units in the field. As a result, during the periods reported in this quarterly report on Form 10-Q, the Company has incurred additional costs that were higher than anticipated, which had an adverse impact on our gross margin, and therefore our profitability, in these periods. Management expects to achieve improvements on these quality-related issues in its diode laser product line during the next two quarters, and has established reserves for the associated costs estimated to be incurred during such period. Management believes that the Company's profitability will continue to be affected in the near term as these issues are resolved.

Through our global manufacturing, distribution and service network, we are providing 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 our products directly to end-users, to original equipment manufacturers ("OEMs") (principally in the machine tool industry) that integrate Rofin-Sinar's laser sources with other system components, and to distributors. Many of our customers are among the largest global participants in their respective industries.

At June 30, 2002, Rofin-Sinar had 1,164 employees compared to 1,132 employees at June 30, 2001.

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,	
	2002	2001	2002	2001
Net sales	100%	100%	100%	100%
Cost of goods sold	68%	61%	65%	61%
Gross profit	32%	39%	35%	39%
Selling, general and administrative expenses	20%	20%	21%	18%
Research and development expenses	6%	7%	6%	7%
Special charge	--	1%	--	--
Goodwill amortization	2%	2%	2%	2%
Income from operations	4%	9%	6%	12%
Income before income taxes and minority interest	5%	7%	5%	10%
Net income	2%	4%	2%	5%

Net Sales - Net sales of \$55.6 million and \$157.7 million represent an increase of \$1.5 million (3%) and a decrease of \$8.5 million (5%) for the three months and nine months ended June 31, 2002, as compared to the corresponding periods of fiscal 2001. The decrease in the nine months ended June 30, 2002 resulted from a net sales decrease of \$18.9 million, or 14%, in Europe/Asia partially offset by an increase of \$10.4 million, or 31%, in the United States, compared to the corresponding period in fiscal 2001. Fluctuations in the U.S. dollar against foreign currencies, primarily against the Euro, had a favorable effect on net sales of \$2.9 million and \$1.3 million for the three and nine month periods ended June 30, 2002. Net sales of laser products for macro applications for the three-month period increased by 7% to \$29.5 million and for the nine-month period net sales increased by 11% to \$86.9 million as compared to the corresponding periods of fiscal 2001. This increase was primarily due to higher demand for the Company's lasers for macro applications from the automotive and machine tool industries. Net sales of lasers for marking and micro-machining applications decreased by 2% to \$26.0

million for the three months ended June 30, 2002 and by 19% to \$70.8 million for the nine months ended June 30, 2002, as compared to the corresponding periods in fiscal 2001. This decrease can be attributed primarily to lower demand for the Company's lasers for marking and micro applications from the semiconductor, electronic and smart card industries.

Gross Profit - Our gross profit of \$17.9 million and \$55.9 million for the three-months and nine-months ended June 30, 2002 represents decreases of \$3.0 million (14%) and \$9.1 million (14%) from the corresponding periods of fiscal year 2001. As a percentage of sales compared to the corresponding three - month and nine-month periods of fiscal year 2001, gross profit decreased from 39% to 32% and from 39% to 35%, respectively. The lower percentage margin was primarily a result of unfavorable product mix, caused by lower laser sales to the semiconductor and electronics industry, as well as the increased material and warranty costs discussed above associated with our diode laser products. In addition, gross profit was favorably affected by \$0.5 million for the three-month period ended June 30, 2002 and unfavorably affected by \$0.2 million for the nine-month period ended June 30, 2002 due to the fluctuations of the U.S. dollar against foreign currencies, primarily against the Euro.

Selling, General and Administrative Expenses - Selling, general and administrative expenses of \$11.1 million and \$33.2 million increased \$0.4 million (4%) and \$2.7 million (9%) for the three-month and nine-month periods ended June 30, 2002, compared to the corresponding periods of fiscal 2001 primarily as a result of investments in the sales force of the Rofin group, increased costs in connection with the implementation of a new EDP system in Germany and higher average legal expenses in connection with a pending patent infringement case against the Company's subsidiaries Rofin-Baasel, Inc. and Carl Baasel Lasertechnik GmbH & Co. KG, as described in the Company's annual report on Form 10-K for the fiscal year ended September 30, 2001 and the related antitrust action described in Part II, Item 1 of this quarterly report. SG&A, a significant portion of which is incurred in foreign currencies, was unfavorably affected by \$0.6 million and \$0.3 million for the three-month and nine-month periods ended June 30, 2002 due to the fluctuations of the U.S. dollar against foreign currencies, primarily the Euro.

Research and Development - The Company spent net \$3.7 million and \$9.9 million on research and development during the three-month and nine-month periods of the current fiscal year. This represents an increase of 5% and a decrease of 11% for the three-month and nine-month periods ended June 30, 2002, respectively, compared to the corresponding periods of the prior year. Gross research and development expenses for the three month period ended June 30, 2002 and 2001 were \$3.8 million and \$3.9 million, respectively, and were reduced by \$0.1 million and \$0.4 million of government grants in the respective periods. Gross research and development expenses for the nine month period ended June 30, 2002 and 2001 were \$10.5 million and \$12.1 million, respectively and were reduced by \$0.6 million and \$0.9 million of government grants in each respective period. R&D, a significant portion of which is conducted in Europe, and therefore incurred in foreign currencies, was unfavorably affected by \$0.3 million and \$0.2 million for the three-month and nine-month periods in fiscal 2002, due to the fluctuations of the U.S. dollar against foreign currencies, primarily the Euro.

Special Charge - During the three-month and nine-month periods ended June 30, 2002, no special charges were included compared to the corresponding periods in fiscal 2001 during which \$0.7 million of expenses were incurred in connection with the secondary listing of the Company's shares of common stock on the German Neuer Markt of the Frankfurt Stock Exchange.

Goodwill amortization - The Company recorded \$0.9 million during the three month periods of the current and the previous fiscal years and \$2.8 million and \$2.7 million during the nine-month periods of the current and previous fiscal years as goodwill amortization.

Other Expense (Income) - Net other income of \$0.7 million for the three-month period ended June 30, 2002 represents a change of \$2.0 million compared to net other expense of \$1.3 million in the corresponding period of the prior year. Net other expense of \$1.4 million for the nine-month period ended June 30, 2002 represents a change of \$1.3 million compared to net other expense of \$2.7 million in the corresponding prior year period. The fluctuations in both the three and nine month periods are primarily attributed to unrealized exchange gains resulting from certain intercompany indebtedness denominated in currencies other than the borrowing companies functional currency. Additionally, during the nine-month period ended June 30, 2002, a gain of \$0.5 million was recorded related to the sale of the medical laser business, which did not exist in the corresponding prior year period.

Income Tax Expense - Income tax expense of \$1.6 million and \$5.4 million for the three-month and nine-month periods ended June 30, 2002 represents effective tax rates of 55% and 62%, respectively compared to the effective tax rates of 33% and 46% for the corresponding periods in the prior fiscal year. These increases in effective tax rates are due primarily to lower taxable income and higher amounts of nondeductible goodwill amortization and losses in certain countries where tax benefits cannot be used as offsets.

Net Income - As a result of the foregoing factors, the Company realized consolidated net income of \$1.3 million and \$2.6 million for the three and nine months ended June 30, 2002, which represents decreases of \$1.1 million and \$6.0 million from the corresponding periods in fiscal 2001. For the three-months ended June 30, 2002, both basic and diluted earnings per share equaled \$0.11 based upon 11.6 million common shares outstanding, as compared to basic and diluted earnings per share of \$0.21 for the same period in fiscal 2001, based on 11.5 and 11.7 million common shares outstanding. For the nine-month period ended June 30, 2002, both basic and diluted earnings per share equaled \$0.23 based upon 11.6 million common shares outstanding, as compared to basic and diluted earnings per share of \$0.74 for the same period in fiscal 2001, based upon 11.5 and 11.6 million common shares outstanding, respectively.

Liquidity and Capital Resources

The Company's primary sources of liquidity at June 30, 2002 were cash and cash equivalents of \$20.5 million, an annually renewable \$25.0 million line of credit with Deutsche Bank AG, and several other lines of credit to support foreign subsidiaries in their local currencies in an aggregate amount of \$29.4 million (translated at the applicable exchange rate at June 30, 2002). At June 30, 2002, borrowings of \$15.0 million were outstanding under the Deutsche Bank facility and an aggregate of \$11.1 million was outstanding under such other lines of credit, leaving \$28.3 million of unused and available borrowing capacity under our Deutsche Bank facility and lines of credit.

Additionally, the Company has outstanding long-term debt with a German bank, which was used to finance part of the acquisition, and to refinance the existing debt, of Baasel Lasertech. At June 30, 2002, \$39.5 million was outstanding under this credit agreement.

Cash and cash equivalents increased by \$7.0 million during the nine-months ended June 30, 2002. Approximately \$13.4 million in cash and cash equivalents were provided by operating activities, primarily as the result of net income before depreciation and amortization and a decrease in trade receivables.

Uses of cash from investing activities totaled \$2.3 million for the nine-months ended June 30, 2002 and related primarily to the acquisition of various additions to property and equipment in connection with the expansion of the Company's operations (\$3.4 million) partially offset by the cash proceeds of the sale of the medical laser business (\$0.9 million).

Net cash used in financing activities totaled \$4.5 million and was primarily related to current period repayments of bank debt.

Management believes that the cash flow from operations, along with existing cash and cash equivalents and availability under our credit facilities and lines of credit, will provide adequate resources to meet our capital requirements and operational needs for the foreseeable future.

Currency Exchange Rate Fluctuations

Although we report our consolidated financial statements in U.S. dollars, approximately 67% of our sales are denominated in other currencies, primarily the Euro, as well as British pounds, Singapore dollars, and Japanese yen. Net sales and costs and related assets and liabilities are generally denominated in the functional currencies of the operations, thereby serving to reduce our exposure to exchange gains and losses.

Exchange differences upon translation from each operation'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 decreasing total equity by \$5.5 million at June 30, 2002 as compared to \$10.6 million at September 30, 2001.

The fluctuation of the Euro and the other relevant functional currencies against the U.S. dollar has had the effect of increasing and decreasing (as applicable) reported net sales as well as cost of goods sold and 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

The preparation of these financial statements are made in accordance with accounting principles generally accepted in the United States of America (GAAP). This requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Such estimates include allowances for doubtful accounts, inventory valuation, and warranty reserves. Actual results could differ from those estimates. The Company believes the following represent its critical accounting policies:

Allowance for Doubtful Accounts

The Company records allowances for customer accounts receivable balances which are determined to be uncollectible due to the customer's inability to make required payments. Such determination is made based on an assessment of the customer's financial condition and liquidity. If the financial condition of the Company's customers were to deteriorate, additional allowances may be required.

Inventory Valuation

The Company writes down inventory for estimated obsolescence or unmarketable inventory equal to the difference between the cost of inventory and the estimated market value based upon assumptions about future demand, market conditions, and the salability of the existing inventory. If actual market conditions are less favorable than those projected by management, or the salability of inventory is impacted due to unexpected obsolete or damaged inventory, additional inventory write-downs may be required.

Warranty Reserves

The Company provides for the estimated costs of product warranties when revenue is recognized. Our estimate of costs to fulfill our warranty obligations is based on historical experience and expectation of future conditions. To the extent we experience increased warranty claim activity or increased costs associated with servicing those claims, revisions to the estimated warranty liability would be required.

Recently Issued Accounting Standards

In July 2001, the Financial Accounting Standards Board ("FASB") issued Statement No. 141, "Business Combinations", which requires the use of the purchase method of accounting for business combinations after June 30, 2001. It defines the methodology to be used in measuring goodwill and other intangible assets and defines certain disclosure requirements for business combinations. The Company has historically accounted for its acquisitions under the purchase method.

On the same date, the FASB also issued Statement No. 142, "Goodwill and Other Intangible Assets". Under Statement No. 142, goodwill and intangible assets having indefinite useful lives, will no longer be subject to amortization, but will be subject to annual impairment tests. Intangible assets that have finite useful lives will continue to be amortized over their useful lives. Additionally, intangible assets that are not deemed to have an indefinite life will continue to be amortized over their useful lives.

The Company is required to adopt Statement 142 on October 1, 2002. During fiscal 2002, the Company will determine the impact of this new standard on its financial position and results of operations.

Ownership of Common Stock By Directors

The following table sets forth information as of June 30, 2002, 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, 2002	Number of Exercisable Stock Options Owned at June 30, 2002
Peter Wirth	3,300	202,000	108,000
Gunther Braun	6,000	136,000	66,000
Carl F. Baasel	42,000	25,000	2,000
William R. Hoover (1)	39,000	--	--
Ralph E. Reins (1)	14,000	--	--
Gary K. Willis (1)	12,500	--	--

(1) Outside, non-executive directors

Item 3. Quantitative and Qualitative Disclosures about Market Risk

For the period ended June 30, 2002, 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 year ended September 30, 2001.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For the period ended June 30, 2002, we did not experience any material developments in the legal proceedings as disclosed under the heading "Intellectual Property" in our Annual Report on Form 10-K for the year ended September 30, 2001, except as described below.

In respect of the pending patent infringement actions in the U.S. federal district court in Detroit, Michigan against Rofin-Baasel, Inc. ("Rofin-Baasel") and Carl Baasel Lasertechnik GmbH & Co. KG ("Baasel Lasertech") alleging infringement of a U.S. patent expiring in 2004 concerning a method of marking semiconductor material, Rofin-Baasel and Baasel Lasertech have filed a motion for summary judgment in the actions, which, if granted, may be dispositive of this case. These actions are expected to go to trial in the first quarter of fiscal 2003. In addition, in May 2002, Rofin-Baasel and Baasel Lasertech filed an action in the U.S. federal district court in Boston, Massachusetts against the party that is the plaintiff in the patent infringement case for antitrust violations concerning its enforcement of the patent. In the antitrust case, Rofin-Baasel and Baasel Lasertech seek: (i) a ruling that such party's acquisition of the patent was unlawful, that the patent is unenforceable, and that such party's enforcement of the patent is misuse; (ii) an injunction against enforcement of the patent; (iii) damages in the amount of the attorney fees and expenses incurred in defending the patent infringement case, trebled; and (iv) attorney fees and expenses incurred in the antitrust case. On July 25, 2002, a hearing was held on the defendant's motion to dismiss the antitrust case, which has not yet been decided.

Item 2. Changes in Securities

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 and Reports on Form 8-K

(a) Reports on Form 8-K

The Registrant did not file any Current Reports on Form 8-K during the quarter ended June 30, 2002.

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 14, 2002

/S/ Gunther Braun

Gunther Braun
Executive Vice President,
Finance and Administration, and
Chief Financial Officer