

# **Ad Hoc Announcement**

## **RSTI: Solid Start to Fiscal Year 2006, Sales and Earnings up**

**Plymouth, MI / Hamburg, Germany, February 2, 2006** - Rofin-Sinar Technologies Inc. (NASDAQ: RSTI), one of the world's leading developers and manufacturers of high-performance laser beam sources and laser-based solutions, today announced results for its first fiscal quarter ended December 31, 2005.

Net sales totaled \$95.4 million for the first quarter ended December 31, 2005, a 4% increase over the comparable quarter of fiscal year 2005 (\$91.4 million). Gross profit totaled \$40.8 million, or 43% of net sales, compared to \$36.2 million, or 40% of net sales in the same period of fiscal year 2005. Net income amounted to \$11.4 million, or 12% of net sales, compared to \$8.5 million or 9% of net sales in the comparable quarter last fiscal year. Diluted earnings per share equaled \$0.73 for the quarter based upon 15.5 million weighted-average common shares outstanding, compared to diluted earnings per share of \$0.55 based upon 15.5 million weighted-average common shares outstanding for the same period last fiscal year. The first quarter was impacted by the first-time implementation of SFAS 123R, which resulted in \$0.6 million net of income tax stock-based compensation expense.

The strengthening of the US-Dollar, mainly against the Euro, resulted in a decrease in net sales of \$5.8 million in the first quarter.

SG&A with \$16.9 million did not change, representing 18% of net sales. In addition, the amortization expense in the first quarter of fiscal year 2006 decreased by \$0.7 million over the comparable period last year to \$0.9 million (1% of net sales) because a portion of the intangibles acquired with PRC and Lee Laser became fully amortized. Net R&D expenses were flat with \$5.8 million and represent 6% of net sales.

Sales of lasers for marking and micro applications increased by 18% to \$49.8 million and represent 52% of total revenues. Sales of laser products used for macro applications decreased by 7% to \$45.6 million, accounting for the remaining 48% of total sales.

Net sales in North America increased by 1% to \$28.7 million, which is a new quarterly record. In Europe/Asia, net sales increased by 6% to \$66.7 million.

Order entry in the quarter was a \$92.1 million and resulted in an order backlog of \$73.0 million on December 31, 2005.

The full text press release and further information including comprehensive financial data is available online at [www.rofin.com](http://www.rofin.com) – Investor Relations – Press Releases.