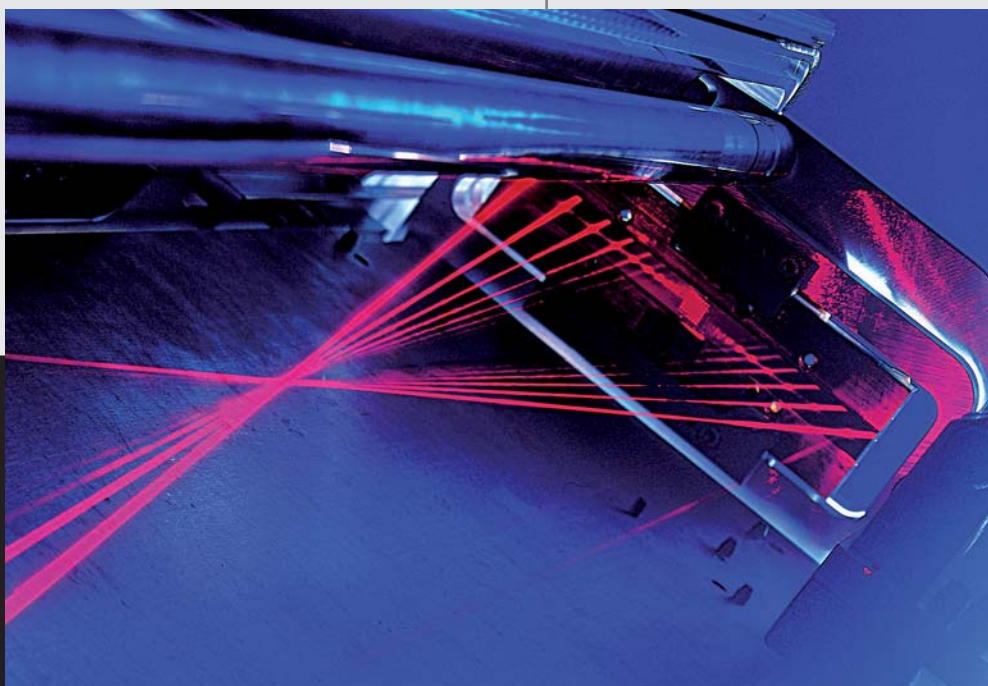


# Quarterly Report

3<sup>rd</sup> Quarter Fiscal Year 2006

Apr. 1, 2006 - Jun. 30, 2006



**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, 2006  
OR

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

Commission file number: 000-21377

ROFIN-SINAR TECHNOLOGIES INC.

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

Delaware

38-3306461

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

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

40984 Concept Drive, Plymouth, MI

48170

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

-----  
(Zip Code)

(734) 455-5400

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

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

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

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

Indicate by check mark whether the registrant is a shell Company (as defined in Rule 12b-2 of the Exchange Act of 1934). Yes  / No

15,355,900 shares of the registrant's common stock, par value \$0.01 per share, were outstanding as of August 8, 2006.

ROFIN-SINAR TECHNOLOGIES INC.

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

	June 30, 2006 (Unaudited)	September 30, 2005 (Audited)
	-----	-----
<b>ASSETS</b>		
Current Assets		
Cash and cash equivalents	\$ 50,779	\$ 40,602
Short-term investments	93,325	78,675
Accounts receivable, net of allowance for doubtful accounts of \$2,685 and \$2,398, respectively	86,743	77,523
Inventories	123,410	107,105
Other current assets and prepaid expenses	14,671	12,610
	-----	-----
Total current assets	368,928	316,515
Property and equipment, net	36,433	34,221
Goodwill, net	64,768	61,493
Other intangibles, net	11,118	13,158
Other assets	3,848	3,251
	-----	-----
Total assets	\$ 485,095	\$ 428,638
	=====	=====
<b>LIABILITIES AND STOCKHOLDERS' EQUITY</b>		
Current Liabilities:		
Line of credit and short term borrowings	\$ 16,424	\$ 20,152
Accounts payable, trade	19,790	14,702
Accounts payable to related party	183	230
Accrued liabilities	66,270	59,428
	-----	-----
Total current liabilities	102,667	94,512
Long-term debt	19,800	20,850
Pension obligations	12,500	11,126
Minority interests	2,518	2,072
Other long-term liabilities	6,213	5,912
	-----	-----
Total liabilities	143,698	134,472
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, 15,355,500 (15,122,650 at September 30, 2005) issued and outstanding	154	151
Additional paid-in-capital	164,495	162,550
Retained earnings	161,011	125,071
Accumulated other comprehensive income	15,737	6,394
	-----	-----
Total stockholders' equity	341,397	294,166
	-----	-----
Total liabilities and stockholders' equity	\$ 485,095	\$ 428,638
	=====	=====

See accompanying notes to condensed consolidated financial statements

Rofin-Sinar Technologies Inc. and Subsidiaries  
Condensed Consolidated Statements of Operations (Unaudited)  
Periods Ended June 30, 2006 and 2005  
(dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2006	2005	2006	2005
Net sales	\$ 109,648	\$ 89,528	\$ 304,800	\$ 276,253
Cost of goods sold	62,785	53,018	173,608	165,979
Gross profit	46,863	36,510	131,192	110,274
Selling, general, and administrative expenses	20,306	15,203	56,180	48,844
Research and development expenses	6,164	5,613	17,752	17,099
Intangibles amortization	909	1,250	2,637	4,091
Income from operations	19,484	14,444	54,623	40,240
Other expense (income):				
Interest, net	( 611)	( 94)	( 1,572)	271
Foreign currency (gains)/losses	( 235)	1,278	( 103)	469
Other expense (income)	( 65)	( 47)	( 342)	( 502)
Income before income taxes and minority interest	20,395	13,307	56,640	40,002
Income tax expense	7,239	4,734	20,079	13,964
Income before minority interest	13,156	8,573	36,561	26,038
Minority interest	237	166	621	375
Net income	\$ 12,919	\$ 8,407	\$ 35,940	\$ 25,663
Net income per common share				
Basic	\$ 0.84	\$ 0.56	\$ 2.36	\$ 1.70
Diluted	\$ 0.82	\$ 0.54	\$ 2.30	\$ 1.65
Weighted average shares used in computing net income per share				
Basic	15,331,829	15,101,255	15,257,238	15,056,357
Diluted	15,712,027	15,553,199	15,625,358	15,545,829

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, 2006 and 2005  
(dollars in thousands)

	Common Stock Par Value	Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income	Total Stockholders' Equity
	-----	-----	-----	-----	-----
BALANCES at September 30, 2005	\$ 151	\$ 162,550	\$ 125,071	\$ 6,394	\$ 294,166
Comprehensive income:					
Foreign currency translation adjustment	--	--	--	9,111	9,111
Fair value of interest swap agreement, net of tax	--	--	--	232	232
Net income	--	--	35,940	--	35,940
Total comprehensive income					----- 45,283
Common stock plans	3	1,945	--	--	1,948
BALANCES at June 30, 2006	\$ 154	\$ 164,495	\$ 161,011	\$ 15,737	\$ 341,397
	=====	=====	=====	=====	=====
BALANCES at September 30, 2004	\$ 149	\$ 158,777	\$ 87,096	\$ 11,362	\$ 257,384
Comprehensive income:					
Foreign currency translation adjustment	--	--	--	( 3,598)	( 3,598)
Fair value of interest swap agreement, net of tax	--	--	--	224	224
Net income	--	--	25,663	--	25,663
Total comprehensive income					----- 22,289
Common stock plans	2	3,301	--	--	3,303
BALANCES at June 30, 2005	\$ 151	\$ 162,078	\$ 112,759	\$ 7,988	\$ 282,976
	=====	=====	=====	=====	=====

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, 2006 and 2005  
(dollars in thousands)

	Nine Months Ended June 30,	
	2006	2005
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Net income	\$ 35,940	\$ 25,663
Adjustments to reconcile net income to net cash provided by operating activities:		
Changes in operating assets and liabilities	( 11,976)	( 3,990)
Other adjustments	8,424	5,501
	32,388	27,174
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additions to property and equipment	( 4,643)	( 5,270)
Purchases of short term investments, net	( 14,650)	( 7,125)
Acquisition of business, net of cash acquired, and investment in affiliates	( 1,262)	( 1,182)
Proceeds from the sale of property and equipment	211	203
	( 20,344)	( 13,374)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Borrowings from banks	8,797	37,500
Repayment to banks	( 15,249)	( 50,270)
Proceeds from issuance of common stock	3,481	2,105
Excess tax benefit from stock options	( 1,269)	--
	( 4,240)	( 10,665)
Effect of foreign currency translation on cash and cash equivalents	2,373	983
Net increase in cash and cash equivalents	10,177	4,118
Cash and cash equivalents at beginning of period	40,602	38,216
Cash and cash equivalents at end of period	\$ 50,779	\$ 42,334
Cash paid for interest	\$ 1,099	\$ 1,848
Cash paid for taxes	\$ 21,709	\$ 14,579

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 condensed consolidated 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 fiscal year ended September 30, 2005, and should be read in conjunction with Rofin-Sinar Technologies Inc.'s (the "Company") annual report on Form 10-K. 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.

2. Cash Equivalents and Short-term Investments

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

Certain auction rate securities have been reclassified from cash equivalents to short-term investments. Auction rate securities are variable rate securities tied to short-term interest rates with maturities on the face of the securities in excess of 90 days. Auction rate securities have rate resets through a modified Dutch auction, at predetermined short-term intervals, usually every 7, 28, 35, or 49 days. The securities trade at par and are callable at par on any payment date at the option of the issuer. Investment earnings paid during a given period are based upon the reset rate determined during the prior auction.

Although these securities are issued and rated as long-term securities, they are priced and traded as short-term instruments because of the liquidity provided through the interest rate reset. The Company has historically classified these instruments as cash equivalents if the period between interest rate resets was 90 days or less, which was based on the ability to either liquidate the holdings or roll the investment over to the next reset period.

In addition, "Purchases of short-term investments, net", included in the accompanying condensed consolidated statements of cash flows, as investing activities, reflect the purchases and sales of auction rate securities during the periods presented.

### 3. Acquisitions and Formation of New Entities

Effective December 2, 2005, the Company purchased an additional 3% of the share capital of Rofin-Sinar U.K. Ltd. through Rofin-Sinar Technologies Europe S.L. under an option agreement between the Company and the former minority shareholders. The Company currently holds 80% of the share capital of Rofin-Sinar U.K. Ltd. This purchase resulted in goodwill of \$0.5 million.

Effective October 1, 2005, the Company formed DILAS Diode Laser Inc. in Tucson, Arizona as a wholly owned subsidiary of the Company's wholly owned subsidiary, Rofin-Sinar Inc.

On March 23, 2006, the Company acquired 40% of the share capital of H2B Photonics GmbH, Garbsen (Germany) through its wholly owned subsidiary Carl Baasel Lasertechnik GmbH & Co. KG. H2B Photonics GmbH specializes in the development, manufacturing and sales of laser-based systems used to cut brittle materials, such as glass, to produce perfectly cut edges.

Effective May 1, 2006, the Company formed Rofin-Baasel Canada Ltd. in, Mississauga, Canada as a wholly owned subsidiary of the Company's wholly owned subsidiary, Rofin-Sinar Inc.

### 4. 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, 2006	September 30, 2005
Finished goods	\$ 16,509	\$ 10,268
Work in progress	31,575	28,173
Raw materials and supplies	42,421	38,913
Demonstration inventory	12,676	11,346
Service parts	20,229	18,405
Total inventories	\$ 123,410	\$ 107,105

## 5. Accrued Liabilities

Accrued liabilities are comprised of the following:

	June 30, 2006	September 30, 2005
Employee compensation	\$ 14,783	\$ 16,372
Warranty reserve	12,332	10,836
Customer deposits	12,032	8,515
Income taxes payable	12,885	9,943
Other	14,238	13,762
Total accrued liabilities	\$ 66,270	\$ 59,428

## 6. Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill for the nine-month period ended June 30, 2006 are as follows:

	Germany	United States	Other	Total
Balance as of September 30, 2005	\$ 38,559	\$ 9,742	\$ 13,192	\$ 61,493
Additional goodwill from acquisition	--	--	494	494
Currency exchange difference	1,934	148	699	2,781
Balance as of June 30, 2006	\$ 40,493	\$ 9,890	\$ 14,385	\$ 64,768

The carrying values of other intangible assets are as follows:

	June 30, 2006		September 30, 2005	
	Gross Carrying Amount	Accumulated Amortization	Gross Carrying Amount	Accumulated Amortization
Amortized Intangible Assets:				
Patents	\$ 7,610	\$ 2,698	\$ 7,212	\$ 2,090
Customer base	13,880	8,683	13,487	6,098
Other	4,377	3,368	4,088	3,441
Total	\$ 25,867	\$ 14,749	\$ 24,787	\$ 11,629

Amortization expense for the nine-month periods ended June 30, 2006 and 2005 was \$2.6 million and \$4.1 million, respectively. At June 30, 2006, estimated amortization expense for the remainder of fiscal 2006 and the next five fiscal years based on the average exchange rates as of June 30, 2006, is as follows:

2006 (remainder)	\$ 0.9 million
2007	3.0 million
2008	2.0 million
2009	1.9 million
2010	0.7 million
2011	0.7 million

#### 7. 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, 2006 and 2005 is as follows:

	2006	2005
	-----	-----
Balance at September 30,	\$ 10,836	\$ 13,375
Additional accruals for warranties during the period	3,369	1,840
Usage during the period	( 2,412)	( 4,379)
Currency translation	539	( 119)
	-----	-----
Balance at June 30,	\$ 12,332	\$ 10,717
	=====	=====

#### 8. Stock Incentive Plans

The Company maintains an Equity Incentive Plan, whereby incentive and non-qualified stock options, restricted stock and performance shares may be granted to officers and other key employees to purchase a specified number of shares of common stock at a price not less than the fair market value on the date of grant. The term of the Equity Incentive Plan continues through 2011. There were no incentive stock options, restricted stock or performance shares granted in fiscal year 2005 and none have been granted through June 30, 2006. Non-qualified stock options were granted to officers and other key employees in fiscal years 2005 and 2006. Options generally vest over five years and will expire not later than ten years after the date on which they are granted.

In December 2004, the FASB issued SFAS No. 123R, "Share-Based Payment", as a replacement to SFAS No. 123 "Accounting for Stock-Based Compensation". SFAS No. 123R supersedes APB Opinion No. 25, "Accounting for Stock Issued to Employees", which allowed companies to use the intrinsic method of valuing share-based payment transactions. SFAS No. 123R 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. On March 29, 2005, the SEC issued SAB No. 107 to provide guidance regarding the adoption of SFAS No. 123R and disclosures in Management's Discussion and Analysis. The effective date of SFAS No. 123R was modified by SAB No. 107 to begin with the first annual reporting period of the registrant's first fiscal year beginning on or after June 15, 2005. Accordingly, the Company implemented SFAS No. 123R effective October 1, 2005. Prior to the adoption of SFAS No. 123R, benefits of tax deductions in excess of recognized compensation costs were reported as operating cash flows. SFAS No. 123R requires excess tax benefits to be reported as a financing cash inflow rather than as a reduction of taxes paid.

Previously the Company measured compensation expense for its stock-based employee compensation plans using the intrinsic value method prescribed by APB Opinion No. 25, as permitted by SFAS No. 123 and SFAS No. 148 "Accounting for Stock-Based Compensation - Transition and Disclosure". Had the fair value-based method under SFAS No. 123 been applied, compensation expense would have been recorded for the options outstanding based on their respective vesting schedules.

The following table illustrates the effect on net income and earnings per share in the comparable three-month and nine-month periods of the prior year as if the fair value based method under SFAS No. 123 had been applied to all outstanding vested and unvested awards in those periods. For the nine-month and three-month periods ended June 30, 2006 in compliance with SFAS No. 123R, the Company recorded expense of \$2.3 million and \$1.0 million, respectively, for the portion of stock-based compensation arrangements which vested during the periods. Amounts are in thousands, except per share amounts:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2006	2005	2006	2005
Net income - as reported	\$ 12,919	\$ 8,407	\$ 35,940	\$ 25,663
Deduct: Total stock-based employee compensation expense determined under the fair value based method for all awards, net of related tax effects	N/A	470	N/A	1,063
Pro forma net income	\$ 12,919	\$ 7,937	\$ 35,940	\$ 24,600
Earnings per share:				
Basic - as reported	\$ 0.84	\$ 0.56	\$ 2.36	\$ 1.70
Basic - pro forma	N/A	\$ 0.53	N/A	\$ 1.63
Diluted - as reported	\$ 0.82	\$ 0.54	\$ 2.30	\$ 1.65
Diluted - pro forma	N/A	\$ 0.52	N/A	\$ 1.60

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

The following assumptions were used in the determination of compensation cost under the provisions of SFAS No. 123 for the three-month and nine-month periods ended June 30, 2006:

	2006 Grants	2005 Grants
Weighted average grant date fair value	\$ 26.51	\$ 15.41
Expected life	5 Years	5 Years
Volatility	50.0%	50.0%
Risk-free interest rate	4.61%	3.74%
Dividend yield	0%	0%
Annual forfeiture rate	1.09%	1.09%

284,750 options were granted in the three-month period ended March 31, 2006. 7,500 options were granted in the three-month period ended June 30, 2006. 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 option activity for the nine-month period ended June 30, 2006 is as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in millions)
Balance at September 30, 2005	1,289,600	\$ 21 3/5	7.54	\$ 21.1
Granted	292,250	52 1/5		
Exercised	( 210,550)	15 2/5		
Cancelled	--	--		
Forfeited	( 10,800)	11 4/9		
Balance at June 30, 2006	1,360,500	\$ 29 1/6	7.63	\$ 37.8
Exercisable at June 30, 2006	432,750	\$ 16 5/6	5.93	\$ 17.6

As of June 30, 2006, there was \$14.4 million of total unrecognized compensation costs related to stock options. These costs are expected to be recognized over a weighted average period of 3.84 years.

During the three-month and nine-month periods ended June 30, 2006 and 2005, the following activity occurred under the plan:

	(in millions)			
	Three Months Ended June 30,		Nine Months Ended June 30,	
	2006	2005	2006	2005
Total intrinsic value of stock options exercised	\$ 2.5	\$ 0.5	\$ 7.5	\$ 4.4

Cash received from stock option exercises for the three month and nine month periods ended June 30, 2006 was \$1.1 million and \$3.5 million, respectively.

#### 9. Net Income Per Common Share

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

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

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2006	2005	2006	2005
Weighted average number of shares for BASIC net income per common share	15,331,829	15,101,255	15,257,238	15,056,357
Potential additional shares due to outstanding dilutive stock options	380,198	451,944	368,120	489,472
Weighted average number of shares for DILUTED net income per common share	15,712,027	15,553,199	15,625,358	15,545,829

#### 10. Defined Benefit Plans

Components of net periodic pension cost were as follows for the three-month and nine-month periods ended June 30, 2006 and 2005:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2006	2005	2006	2005
Service cost	\$ 179	\$ 126	\$ 526	\$ 413
Interest cost	181	147	532	494
Expected return on plan assets	( 74 )	( 68 )	( 223 )	( 204 )
Amortization of prior service costs	6	--	19	--
Amortization of net loss	25	15	74	47
Net periodic pension cost	\$ 317	220	\$ 928	\$ 750

During the three-month period ended June 30, 2006, the Company did not make any contributions to the plan.

## 11. 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, revenues and income before taxes and minority interest by geographic region are summarized below:

	June 30, 2006	September 30, 2005
	-----	-----
ASSETS		
United States	\$ 233,367	\$ 219,949
Germany	306,157	280,047
Other	155,536	146,992
Intercompany eliminations	( 209,965)	( 218,350)
	-----	-----
Total assets	\$ 485,095	\$ 428,638
	=====	=====

### NET SALES

	Three Months Ended June 30,		Nine Months Ended June 30,	
	-----	-----	-----	-----
	2006	2005	2006	2005
	-----	-----	-----	-----
United States	\$ 34,147	\$ 26,424	\$ 98,087	\$ 81,787
Germany	81,998	68,125	226,868	211,491
Other	34,448	29,748	97,408	89,221
Intercompany eliminations	( 40,945)	( 34,769)	(117,563)	(106,246)
	-----	-----	-----	-----
	\$ 109,648	\$ 89,528	\$ 304,800	\$ 276,253
	=====	=====	=====	=====

### INTERCOMPANY SALES

	Three Months Ended June 30,		Nine Months Ended June 30,	
	-----	-----	-----	-----
	2006	2005	2006	2005
	-----	-----	-----	-----
United States	\$ 792	\$ 1,100	\$ 2,642	\$ 2,172
Germany	32,276	28,236	92,184	87,589
Other	7,877	5,433	22,737	16,485
Intercompany eliminations	( 40,945)	( 34,769)	(117,563)	(106,246)
	-----	-----	-----	-----
	\$ --	\$ --	\$ --	\$ --
	=====	=====	=====	=====

## EXTERNAL SALES

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2006	2005	2006	2005
United States	\$ 33,355	\$ 25,324	\$ 95,445	\$ 79,615
Germany	49,722	39,889	134,684	123,902
Other	26,571	24,315	74,671	72,736
	\$ 109,648	\$ 89,528	\$ 304,800	\$ 276,253
	=====	=====	=====	=====

## INCOME BEFORE INCOME TAXES AND MINORITY INTEREST

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2006	2005	2006	2005
United States	\$ 3,758	\$ 2,048	\$ 11,293	\$ 9,334
Germany	14,280	9,242	39,111	27,468
Other	3,309	1,652	8,384	5,864
Intercompany eliminations (	952)	365	( 2,148)	( 2,664)
	\$ 20,395	\$ 13,307	\$ 56,640	\$ 40,002
	=====	=====	=====	=====

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 mainly 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 2006 and 2005 respectively, we realized approximately 49% and 48% of revenues from the sale and servicing of laser products for macro applications and approximately 51% and 52% from the sale and servicing of laser products for marking and micro applications.

Management believes that it's wide product portfolio and highly diversified customer base helps mitigate potential declining business conditions in a single industrial or geographical market. Furthermore, management believes that the high demand for macro laser products from the machine tool industry, and for micro and marking laser products from the medical device and electronics industry, coupled with the record backlog, should enhance the Company's business in the next quarters.

At June 30, 2006, Rofin-Sinar had 1,456 employees compared to 1,387 employees at June 30, 2005.

## 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,	
	2006	2005	2006	2005
Net sales	100%	100%	100%	100%
Cost of goods sold	57%	59%	57%	60%
Gross profit	43%	41%	43%	40%
Selling, general and administrative expenses	18%	17%	18%	18%
Research and development expenses	6%	6%	6%	6%
Intangibles amortization	1%	2%	1%	1%
Income from operations	18%	16%	18%	15%
Income before income taxes and minority interest	19%	15%	19%	15%
Net income	12%	9%	12%	9%

Net Sales - Net sales of \$109.6 million and \$304.8 million represent increases of \$20.1 million or 22%, and \$28.5 million or 10%, for the three month and the nine month periods ended June 30, 2006, as compared to the corresponding periods in fiscal 2005. The increase for the three months ended June 30, 2006 resulted from a net sales increase of \$7.0 million (27%) in the United States, and a net sales increase of \$13.1 million (21%) in Europe/Asia as compared to the corresponding period in fiscal 2005. The increase for the nine months ended June 30, 2006, compared to the corresponding period in fiscal 2005, resulted from a net sales increase of \$13.6 million, or 17%, in the United States and a net sales increase of \$14.9 million, or 8%, in Europe/Asia. Fluctuations in the U.S. dollar against foreign currencies, primarily against the Euro, had nearly no impact on net sales for the three-month period and an unfavorable effect on net sales of \$11.4 million for the nine-month period ended June 30, 2006. Net sales of laser products for macro applications increased by \$10.0 million (23%) to \$53.2 million and by \$6.1 million (4%) to \$148.2 million for the three-month and nine-month periods ended June 30, 2006 as compared to the corresponding periods of fiscal 2005, respectively. The increase in sales is mainly due to the higher demand for our lower and higher power CO2 lasers from the OEM machine tool industry. Net sales of lasers for marking and micro applications increased by 22% to \$56.5 million for the three months ended June 30, 2006 and by 17% to \$156.6 million for the nine months ended June 30, 2006 as compared to the corresponding periods in fiscal 2005. The increase can be mainly attributed to the higher demand for our lasers for micro and marking applications principally to the semiconductor, electronics and medical instruments industries, as well as an increase in our component business. On a geographic basis, the Asian market was the main growth driver with a 55% increase in sales for both the three-month and the nine-month periods ended June 30, 2006 compared to the corresponding periods last fiscal year.

Gross Profit - Our gross profit of \$46.9 million and \$131.2 million for the three-month and the nine-month periods ended June 30, 2006 represents increases of \$10.4 million (28%) and \$20.9 million (19%) from the corresponding periods of fiscal year 2005. As a percentage of sales, gross profit increased from 41% to 43%, as compared to the corresponding quarter in fiscal year 2005, and from 40% to 43% for the nine-month period ended June 30, 2006, as compared to the corresponding period in 2005. The increase in gross margin was primarily a result of the favorable product mix across all product lines, and the higher production efficiencies gained with the record high production volume. For the nine-month period ended June 30, 2006, gross profit was unfavorably affected by \$3.9 million due to the fluctuations of the U.S. dollar against foreign currencies, primarily against the Euro. The fluctuation of the exchange rate had nearly no impact on the gross margin for the three-month period.

Selling, General and Administrative Expenses - Selling, general and administrative (SG&A) expenses of \$20.3 million and \$56.2 million for the three-month and nine-month periods ended June 30, 2006 represent increases of \$5.1 million (34%) and \$7.4 million (15%) from the corresponding periods of fiscal 2005. SG&A in the first three and nine month periods of fiscal 2006 included stock-based compensation expense related to the implementation of SFAS 123R in the amount of \$1.0 million and \$ 2.3 million, respectively. The increase in SG&A expenses during the three and nine month periods ended June 30, 2006 is primarily a result of our increased selling and marketing activities, including higher commissions related to our record high revenues. Additionally, costs related to our newly formed subsidiaries in China, the U.S., and Canada account for the remaining increase. SG&A, a significant portion of which is incurred in foreign currencies, was favorably affected by \$2.0 million for the nine-month period ended June 30, 2006 due to the fluctuations of the U.S. dollar against foreign currencies, primarily the Euro. In the third quarter 2006 the fluctuation of the exchange rates had nearly no impact on our SG&A expenses.

Research and Development - The Company spent net \$6.2 million and \$17.8 million on research and development (R&D) during the three-month and nine-month periods ended June 30, 2006. This represents an increase of 11% and 4% for the three-month and nine-month periods ended June 30, 2006, compared to the corresponding periods of the prior year. Gross research and development expenses for the three-month periods ended June 30, 2006 and June 30, 2005 were \$6.4 million and \$6.0 million, respectively, and were reduced by \$0.2 million and \$0.4 million of government grants during each respective period. Gross research and development expenses for the nine-month periods ended June 30, 2006 and June 30, 2005 were \$18.6 million and \$17.9 million, respectively, and were reduced by \$0.8 million of government grants during both respective periods. R&D, a significant portion of which is conducted in Europe, and therefore incurred in foreign currencies, was not affected for the three-month period and was favorably affected by \$0.9 million for nine-month period ended June 30, 2006 due to the fluctuations of the U.S. dollar against foreign currencies, primarily the Euro.

Amortization expense - Amortization expense for the three-month and nine-month periods ended June 30, 2006 amounted to \$0.9 million and \$2.6 million, respectively. This represents a decrease of \$0.4 million for the three-month period and of \$1.5 million for the nine-month period when compared to the same periods of fiscal year 2005 due to the full amortization of a portion of the intangibles acquired in connection with the acquisition of PRC Laser Corporation and Lee Laser, Inc. in September 2004.

Other Income - Net other income of \$0.9 million for the three-month period ended June 30, 2006 represents an increase of \$2.0 million compared to the corresponding period in the prior year. Net other income of \$2.0 million for the nine-month period ended June 30, 2006 represents an increase of \$2.2 million compared to the corresponding period of the prior year. Due to our continued cash generation, the low interest rate on debts, and higher interest rates on short-term investments, we were able to increase net interest income by \$0.5 million and \$1.8 million for the three-month and nine-month periods ended June 30, 2006, compared to the corresponding periods of fiscal year 2005. Additionally, the three-month and the nine-month periods include \$0.2 million and \$0.1 million net exchange gains compared to \$1.3 million and \$0.5 million net exchange losses in the same periods of fiscal 2005.

Income Tax Expense - Income tax expense of \$7.2 million and \$20.1 million for the three-month and the nine-month periods ended June 30, 2006 represents effective tax rates of 35% for the three-month and 36% for the nine-month periods, compared to 35% for both of the corresponding periods of the prior year. Fluctuations in the U.S. dollar against foreign currencies, primarily the Euro, had virtually no affect on income tax expense, a significant portion of which is incurred in foreign currencies, for the three-month period ended June 30, 2006 and was favorable affected by \$0.9 million for the nine-month period ended June 30, 2006.

Net Income - As a result of the foregoing factors, the Company realized consolidated net income of \$12.9 million and \$35.9 million for the three-month and nine-month periods ended June 30, 2006, which represent increases of \$4.5 million and \$10.2 million compared to the corresponding periods in fiscal year 2005. For the three-month period ended June 30, 2006, basic and diluted net income per common share equaled \$0.84 and \$0.82, respectively, based upon a weighted average of 15.3 million and 15.7 million common shares outstanding, as compared to basic and diluted net income per common share of \$0.56 and \$0.54, respectively, for the three-month period ended June 30, 2005, based upon a weighted average of 15.1 million and 15.6 million common shares outstanding. The three-month and nine-month periods ended June 30, 2006, were impacted by stock-based compensation expense related to the implementation of SFAS 123R, which resulted in \$0.9 million and \$2.1 million, respectively, of stock-based compensation expenses, net of income tax.

## Liquidity and Capital Resources

The Company's primary sources of liquidity at June 30, 2006 were cash and cash equivalents of \$50.8 million, short-term investments of \$93.3 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 \$84.4 million (translated at the applicable exchange rate at June 30, 2006). As of June 30, 2006, \$8.9 million (of which \$3.8 million is due in the short term) was outstanding under the Deutsche Bank facility and \$27.4 million (of which \$12.7 million is due in the short term) under other lines of credit. Approximately \$73.1 million was unused and available under the Company's bank facility and lines of credit at June 30, 2006. The Company is subject to financial covenants under these lines of credit, which, if not complied with, could restrict the Company from borrowing amounts there under. At June 30, 2006, the Company was in compliance with these covenants.

Cash and cash equivalents increased by \$10.2 million during the nine months ended June 30, 2006. Approximately \$32.4 million in cash and cash equivalents were provided by operating activities, primarily as the result of improved net income and other non-cash items, consisting principally of depreciation and amortization. Operating cash flow was negatively affected by an increase in inventory and accounts receivables offset by an increase in accounts payable.

Uses of cash from investing activities totaled \$20.3 million for the nine-month period ended June 30, 2006 and related primarily to the purchase of short-term investments in the amount of \$14.7 million and various additions to property and equipment in the amount of \$4.6 million.

Net cash used in financing activities totaled \$4.2 million and was primarily related to current period repayments of bank debt of \$15.2 million, partially offset by new borrowings from banks of \$8.8 million. This net repayment of debt of \$6.4 million was partially offset by an increase in stockholders' equity of \$3.5 million related to the issuance of additional common stock through the exercise of stock options.

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

The Company has listed all its material contractual obligations in its annual report on Form 10-K for the fiscal year ended September 30, 2005 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 61% of our sales have been denominated in other currencies, primarily the Euro, British pound, Swedish krona, Singapore dollar, Taiwanese dollar, Korean won, Japanese yen and Canadian dollar. 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 \$16.6 million at June 30, 2006 as compared to \$8.0 million at June 30, 2005.

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 and R&D expense, denominated in such foreign currencies when translated into U.S. dollars as compared to prior periods.

## Critical Accounting Policies

Our significant accounting policies are more fully described in Note 1 of our consolidated financial statements in our Annual Report on 10-K for the fiscal year ended September 30, 2005. 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. We evaluate the adequacy of these provisions quarterly. Although we strive 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 reserves will impact operating income during a given period.

## Warranty Reserves

The Company provides 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 current and expected asset 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. Stock compensation expense related to non-U.S. employees is treated as a permanent difference for income tax purposes.

#### Recent Accounting Pronouncements

In July 2006, the Financial Accounting Standards Board (FASB) issued FASB Interpretation No. 48 ("FIN 48"), Accounting for Uncertainty in Income Taxes, which is an interpretation of SFAS No. 109, Accounting for Income Taxes. FIN 48 clarifies the accounting for income taxes by prescribing the minimum recognition threshold a tax position is required to meet before being recognized in the financial statements. FIN 48 also provides guidance on derecognition, measurement, classification, interest and penalties, accounting in interim periods, disclosure and transition. In addition, FIN 48 clearly scopes out income taxes from FASB Statement No. 5, Accounting for Contingencies. FIN 48 is effective for fiscal years beginning after December 15, 2006. The Company intends to adopt FIN 48 in the first quarter of 2007 and is in the process of evaluating the impact of the adoption of this interpretation on the Company's results of operations and financial condition.

## Ownership of Common Stock By Directors

The following table sets forth information as of June 30, 2006, 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, 2006	Number of Exercisable Stock Options Owned at June 30, 2006
Peter Wirth	3,300	300,000	172,000
Gunther Braun	--	220,000	88,000
Ingrid Mittelstaedt	--	30,000	--
Carl F. Baasel	29,000	70,000	33,000
Thomas Merk	--	92,000	23,000
Louis Molnar	--	105,000	27,000
Ralph E. Reins (1)	4,500	--	--
Gary K. Willis (1)	20,000	--	--
Daniel Smoke (1)	6,450	--	--
Stephen D. Fantone (1)	3,000	--	--

(1) Outside, non-executive directors

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

For the nine-month period ended June 30, 2006, 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, 2005.

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, 2006, the Company maintained cash equivalents and short-term investments of \$104.0 million, consisting mainly of non-taxable interest bearing securities and demand deposits all with maturities of less than three months. If short-term interest rates were to increase or decrease by 10%, interest income would increase or decrease by approximately \$0.4 million.

At June 30, 2006, the Company had \$17.5 million of variable rate debt on which the interest rate is reset every six months, \$3.2 million of variable rate debt on which the interest rate is set annually and \$15.5 million of fixed rate debt. Maturities of this debt are as follows: \$4.2 million is due in 2006, \$13.9 million is due in 2007, \$14.9 million is due in 2008 and \$3.2 million is due in 2009.

The Company has entered into interest rate swap agreements for a total notional amount of Euro 13.0 million (equivalent to \$16.5 million based on the exchange rate at June 30, 2006) to minimize exposure to fluctuation of interest rates on short and long-term debt on which the interest rate is reset every six month.

Taking into account the above mentioned swap agreements, 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 of less than \$0.1 million.

#### Foreign Currency Exchange Risk

The Company from time to time 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, 2006, the Company held no forward exchange contracts or options.

#### Item 4. Controls and Procedures

As of the end of the 90-day 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 are effective 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 Company's last fiscal quarter 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.

The 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. The Company is currently in 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. 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

There have been no material changes to the risk factors described in our annual report on Form 10-K for the fiscal year ended September 30, 2005.

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.

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(Registrant)

Date: August 8, 2006

/s/ Gunther Braun

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Gunther Braun  
President, Chief Executive Officer,  
and Director

/s/ Ingrid Mittelstaedt

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

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

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

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

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

Date: August 8, 2006

/s/ Gunther Braun

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Gunther Braun

Chief Executive Officer and  
President

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;
  - b) evaluated the effectiveness of the registrant's disclosure controls and procedures and 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
  - c) disclosed in this quarterly report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and

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

Date: August 8, 2006

/s/ Ingrid Mittelstaedt

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Ingrid Mittelstaedt

Chief Financial Officer

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, 2006 as filed with the Securities and Exchange Commission (the "Report"), I, Gunther Braun, Chief Executive Officer and President of the Company, hereby certify as of the date hereof, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

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

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

Date: August 8, 2006

/s/ Gunther Braun

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Gunther Braun

Chief Executive Officer and  
President

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, 2006 as filed with the Securities and Exchange Commission (the "Report"), I, Ingrid Mittelstaedt, Chief Financial Officer of the Company, hereby certify as of the date hereof, pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, 18 U.S.C. Section 1350, that, to the best of my knowledge:

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

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

Date: August 8, 2006

/s/ Ingrid Mittelstaedt

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Ingrid Mittelstaedt

Chief Financial Officer