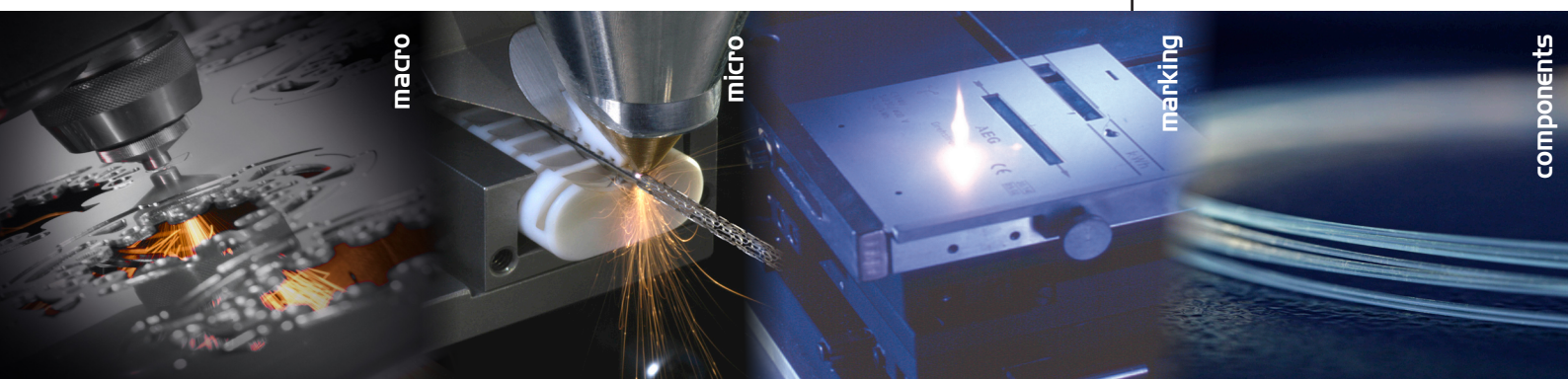


Quarterly Report

3rd Quarter Fiscal Year 2011



ROFIN-SINAR Technologies Inc.

April 1, 2011 - June 30, 2011

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, 2011

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

(State or other jurisdiction of
incorporation or organization)

38-3306461

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

40984 Concept Drive, Plymouth, MI

(Address of principal executive offices)

48170

(Zip Code)

(734) 455-5400

(Registrant's telephone number, including area code)

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

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

Indicate by check mark whether the registrant has submitted electronically and posted in its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files). Yes / No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definitions of "large accelerated filer", "accelerated filer" and "Smaller Reporting Company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer Accelerated filer

Non-accelerated filer Smaller reporting company

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

28,473,759 shares of the registrant's common stock, par value \$0.01 per share, were outstanding as of August 9, 2011.

ROFIN-SINAR TECHNOLOGIES INC.

INDEX

<u>PART I</u>	<u>FINANCIAL INFORMATION</u>	<u>Page No.</u>
	<u>Item 1 - Financial Statements</u>	
	<u>Condensed Consolidated Balance Sheets</u> <u>June 30, 2011 and September 30, 2010</u>	3
	<u>Condensed Consolidated Statements of Operations</u> <u>Three months and nine months ended</u> <u>June 30, 2011 and 2010</u>	5
	<u>Condensed Consolidated Statement of Stockholders'</u> <u>Equity and Comprehensive Income</u> <u>Nine months ended June 30, 2011 and 2010</u>	6
	<u>Condensed Consolidated Statements of Cash Flows</u> <u>Nine months ended June 30, 2011 and 2010</u>	8
	<u>Notes to Condensed Consolidated Financial Statements</u>	9
	<u>Item 2 -</u> <u>Management's Discussion and Analysis of</u> <u>Financial Condition and Results of</u> <u>Operations</u>	21
	<u>Item 3 -</u> <u>Quantitative and Qualitative Disclosures</u> <u>About Market Risk</u>	29
	<u>Item 4 -</u> <u>Controls and Procedures</u>	30
<u>PART II</u>	<u>OTHER INFORMATION</u>	
	<u>Item 1 -</u> <u>Legal Proceedings</u>	31
	<u>Item 1A -</u> <u>Risk Factors</u>	31
	<u>Item 2 -</u> <u>Unregistered Sales of Equity Securities</u> <u>and Use of Proceeds</u>	32
	<u>Item 3 -</u> <u>Defaults Upon Senior Securities</u>	32
	<u>Item 4 -</u> <u>Removed and Reserved</u>	32
	<u>Item 5 -</u> <u>Other Information</u>	32
	<u>Item 6 -</u> <u>Exhibits</u>	32
	<u>SIGNATURES</u>	32

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

	<u>June 30,</u> <u>2011</u>	<u>September 30,</u> <u>2010</u>
ASSETS		
Current Assets		
Cash and cash equivalents (Note 4)	\$ 122,064	\$ 110,628
Short-term investments (Note 4)	672	5,691
Accounts receivable, net of allowance for doubtful accounts of \$3,435 and \$3,020, respectively	112,076	97,639
Inventories, net (Note 5)	200,924	151,759
Other current assets and prepaid expenses	<u>30,269</u>	<u>21,638</u>
Total current assets	466,005	387,355
Long-term investments (Notes 4 & 6)	3,700	4,950
Property and equipment, net	64,726	52,651
Goodwill (Note 7)	94,954	89,796
Other intangibles, net (Note 7)	12,735	10,178
Other assets	15,079	13,262
Total assets	<u>\$ 657,199</u>	<u>\$ 558,192</u>
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current Liabilities:		
Line of credit and short-term borrowings	\$ 6,830	\$ 5,173
Accounts payable, trade	25,890	23,173
Accounts payable to related party	342	566
Income tax payable	13,609	7,114
Accrued liabilities (Note 8)	<u>83,206</u>	<u>63,886</u>
Total current liabilities	129,877	99,912
Long-term debt	16,436	15,488
Pension obligations	19,542	18,163
Other long-term liabilities	<u>8,663</u>	<u>7,153</u>
Total liabilities	174,518	140,716

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

Stockholders' equity

Preferred stock, 5,000,000 shares authorized, none issued or outstanding	--	--
Common stock, \$0.01 par value, 50,000,000 shares authorized, 32,391,100 (31,951,500 at September 30, 2010) issued	324	320
Additional paid-in-capital	216,439	205,100
Retained earnings	376,308	333,491
Accumulated other comprehensive income	33,629	14,399
Treasury shares, at cost, 3,917,341 shares (3,683,504 at September 30, 2010)(Note 11)	(148,232)	(139,453)
Total Rofin-Sinar Technologies Inc. stockholders' equity	478,468	413,857
Noncontrolling interest in subsidiaries	4,213	3,619
Total stockholders' equity	482,681	417,476
Total liabilities and stockholders' equity	\$ 657,199	\$ 558,192

See accompanying notes to condensed consolidated financial statements

Rofin-Sinar Technologies Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)
Periods Ended June 30, 2011 and 2010
(dollars in thousands, except per share amounts)

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2011	2010	2011	2010
Net sales	\$ 154,911	\$ 110,308	\$ 428,249	\$ 299,216
Cost of goods sold	94,243	67,446	256,444	183,274
Gross profit	60,668	42,862	171,805	115,942
Selling, general, and administrative expenses	28,731	22,703	80,399	67,679
Research and development expenses	9,499	7,616	27,628	23,160
Amortization expense	669	530	1,956	1,708
Income from operations	21,769	12,013	61,822	23,395
Other (income) expense:				
Interest income	(123)	(190)	(452)	(482)
Interest expense	92	164	513	750
Foreign currency (income) expense	(78)	(2,467)	696	(3,681)
Other income	(315)	(188)	(1,397)	(692)
Income before income tax	22,193	14,694	62,462	27,500
Income tax expense	6,669	4,907	19,051	9,263
Net income	15,524	9,787	43,411	18,237
Less: Net income attributable to the noncontrolling interest	276	119	594	328
Net income attributable to RSTI	\$ 15,248	\$ 9,668	\$ 42,817	\$ 17,909
Net income attributable to RSTI per share				
Per share of Common Stock Basic	\$ 0.54	\$ 0.34	\$ 1.51	\$ 0.62
Per share of Common Stock Diluted	\$ 0.52	\$ 0.33	\$ 1.47	\$ 0.61
Weighted-average shares used in computing earnings per share (Note 13):				
Basic	28,448,668	28,845,983	28,428,686	28,989,113
Diluted	29,192,816	29,267,367	29,186,816	29,403,315

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, 2011 and 2010
(dollars in thousands)

	<u>Common Stock Par Value</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Treasury Stock</u>	<u>Rofin-Sinar Technologies' Equity</u>	<u>Non- controlling Interests</u>	<u>Total Stockholders' Equity</u>
BALANCES at September 30, 2010	\$ 320	\$ 205,100	\$ 333,491	\$ 14,399	\$ (139,453)	\$ 413,857	\$ 3,619	\$ 417,476
Comprehensive income:								
Fair value of interest swap agreement	--	--	--	(46)	--	(46)	--	(46)
Defined benefit pension plan:								
Amortization of actuarial loss (net of taxes \$28)	--	--	--	48	--	48	--	48
Pension adjustment	--	--	--	24	--	24	--	24
Foreign currency translation adjustment	--	--	--	19,204	--	19,204	--	19,204
Net income	--	--	42,817	--		42,817	594	43,411
Total comprehensive income						62,047	594	62,641
Common stock issued for stock incentive plans	4	11,339	--	--	--	11,343	--	11,343
Treasury stock purchases, at cost	--	--	--	--	(8,779)	(8,779)	--	(8,779)
BALANCES at June 30, 2011	<u>\$ 324</u>	<u>\$ 216,439</u>	<u>\$ 376,308</u>	<u>\$ 33,629</u>	<u>\$ (148,232)</u>	<u>\$ 478,468</u>	<u>\$ 4,213</u>	<u>\$ 482,681</u>

Rofin-Sinar Technologies Inc. and Subsidiaries
Condensed Consolidated Statements Of Stockholders' Equity and Comprehensive Income (Unaudited)
Nine months ended June 30, 2011 and 2010
(dollars in thousands)

	<u>Common Stock Par Value</u>	<u>Additional Paid-in Capital</u>	<u>Retained Earnings</u>	<u>Accumulated Other Comprehensive Income</u>	<u>Treasury Stock</u>	<u>Rofin-Sinar Technologies Stockholders' Equity</u>	<u>Non- controlling Interests</u>	<u>Total Stockholders' Equity</u>
BALANCES at September 30, 2009	\$ 318	\$ 196,185	\$ 303,651	\$ 38,176	\$ (119,996)	\$ 418,334	\$ 3,360	\$ 421,694
Comprehensive income:								
Fair value of interest swap agreement	--	--	--	25	--	25	--	25
Foreign currency translation adjustment	--	--	--	(51,823)	--	(51,823)	--	(51,823)
Net income	--	--	17,909	--	--	17,909	328	18,237
Total comprehensive income (loss)						(33,889)	328	(33,561)
Common stock issued for stock incentive plans	2	7,521	--	--	--	7,523	--	7,523
Treasury stock purchases, at cost	--	--	--	--	(19,457)	(19,457)	--	(19,457)
BALANCES at June 30, 2010	<u>\$ 320</u>	<u>\$ 203,706</u>	<u>\$ 321,560</u>	<u>\$ (13,622)</u>	<u>\$ (139,453)</u>	<u>\$ 372,511</u>	<u>\$ 3,688</u>	<u>\$ 376,199</u>

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, 2011 and 2010
(dollars in thousands)

	Nine Months Ended June 30,	
	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES		
Net income (Note 2)	\$ 43,411	\$ 18,237
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation and amortization	9,692	8,710
Stock-based compensation expenses	3,946	4,259
Other adjustments	(2,215)	(1,721)
Change in operating assets and liabilities:		
Accounts receivable, trade	(7,987)	(9,205)
Inventories	(28,846)	(13,894)
Accounts payable	603	10,313
Changes in other operating assets and liabilities	13,536	18,244
Net cash provided by operating activities	<u>32,140</u>	<u>34,943</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from the sale of property and equipment	281	197
Additions to property and equipment	(15,215)	(5,467)
Purchases of short-term investments	(3,306)	(2,960)
Sales of short-term and long-term investments	9,664	10,108
Acquisition of businesses, net of cash acquired	(11,161)	(1,400)
Net cash provided by (used in) investing activities	<u>(19,737)</u>	<u>478</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Borrowings from banks	4,915	28,731
Repayments to banks	(8,667)	(25,681)
Purchase of treasury stock	(8,779)	(19,457)
Issuance of common stock	6,950	3,001
Excess tax benefit from stock options	136	4
Net cash used in financing activities	<u>(5,445)</u>	<u>(13,402)</u>
Effect of foreign currency translation on cash	4,478	(17,464)
Net increase in cash and cash equivalents	11,436	4,555
Cash and cash equivalents at beginning of period	110,628	116,128
Cash and cash equivalents at end of period	<u>\$ 122,064</u>	<u>\$ 120,683</u>
Cash paid for interest	\$ 343	\$ 712
Cash paid for taxes	\$ 16,381	\$ 3,655

See accompanying notes to condensed consolidated financial statements

Rofin-Sinar Technologies Inc. and Subsidiaries
Notes to Condensed Consolidated Financial Statements (Unaudited)
(dollars in thousands)

1. Basis of Presentation

The accompanying unaudited, condensed and consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America for interim financial reporting, and with instructions to Form 10-Q and Rule 10-01 of Regulation S-X. Accordingly, the financial statements for interim reporting do not include all of the information and notes or disclosures required by accounting principles generally accepted in the United States of America for complete financial statements. In the opinion of management, all adjustments considered necessary for a fair presentation have been included and such adjustments are of a normal recurring nature. Results for interim periods should not be considered indicative of results for a full year. The September 30, 2010, condensed consolidated balance sheet was derived from audited financial statements but does not include all disclosures required by accounting principles generally accepted in the United States of America. For further information, refer to the consolidated financial statements and notes thereto included in the Company's Annual Report on Form 10-K for the fiscal year ended September 30, 2010, as filed with the Securities and Exchange Commission on November 30, 2010.

2. New Accounting Standards

In May 2011, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update No. 2011-04, "Fair Value Measurements (Topic 820): Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRSs" ("ASU 2011-04"). ASU 2011-04 changes the wording used to describe many of the requirements in U.S. GAAP for measuring fair value and for disclosing information about fair value measurements to ensure consistency between U.S. GAAP and IFRS. ASU 2011-04 also expands the disclosures for fair value measurements that are estimated using significant unobservable (Level 3) inputs. This new guidance is to be applied prospectively and is effective for the Company for all fiscal periods beginning after December 15, 2011. The Company anticipates that the adoption of this standard will not materially expand its consolidated financial statement footnote disclosures.

In June 2011, the FASB issued Accounting Standards Update No. 2011-05, "Comprehensive Income (Topic 220): Presentation of Comprehensive Income" ("ASU 2011-05"). ASU 2011-05 eliminates the option to report other comprehensive income and its components in the statement of changes in equity. ASU 2011-05 requires that all nonowner changes in stockholders' equity be presented in either a single continuous statement of comprehensive income or in two separate but consecutive statements. This new guidance is to be applied retrospectively. The guidance is effective for the Company for all fiscal periods beginning after December 15, 2011. The adoption of this standard will only impact the presentation of our financial statements.

In April 2010, the FASB issued ASU No. 2010-17, "Revenue Recognition - Milestone Method (Topic 605)" ("ASU 2010-17"), which provides guidance on defining a milestone and determining when it may be appropriate to apply the milestone method of revenue recognition for certain revenue transactions. This guidance is effective on a prospective basis for milestones achieved in fiscal years, and interim periods within those years, beginning on or after June 15, 2010 (fiscal year 2011 for the Company). The adoption of this accounting guidance did not have a material impact on the Company's consolidated financial statements.

In January 2010, the FASB issued an amendment to ASC Subtopic 820-10 which requires new disclosures for fair value measurements and provides clarification for existing fair value disclosure requirements. The amendment requires an entity to disclose separately the amounts of significant transfers in and out of Levels 1 and 2 fair value measurements and to describe the reasons for the transfers; and to disclose information about purchases, sales, issuances and settlements separately in the reconciliation for fair value measurements using significant unobservable inputs, or Level 3 inputs. This amendment clarifies existing disclosure requirements for the level of disaggregation used for classes of assets and liabilities measured at fair value and requires disclosures about the valuation techniques and inputs used to measure fair value for both recurring and nonrecurring fair value measurements using Level 2 and Level 3 inputs. The guidance became effective for the Company's second quarter of fiscal year 2010 except for disclosures about purchases, sales, issuances, and settlements in the roll forward activity in Level 3 fair value measurements which are effective for fiscal years beginning after December 15, 2010 (fiscal year 2012 for the Company) and for interim periods within those fiscal years. The Company decided to early adopt the guidance for disclosures in the roll forward activity in Level 3 fair value measurements. The adoption of this guidance did not impact the Company's consolidated financial statements.

In October 2009, the FASB issued new accounting guidance for revenue recognition related to multiple element arrangements. This guidance established a selling price hierarchy, which allows the use of estimated selling prices to allocate arrangement consideration to deliverables in cases where neither vendor-specific objective evidence nor third-party evidence is available. The new guidance is effective for the Company prospectively for revenue arrangements entered into or materially modified beginning in the first quarter of fiscal year 2011. We applied the new guidance to our revenue arrangements containing multiple deliverables that were entered into, or materially modified, on or after October 1, 2010. The adoption of this accounting guidance did not have a material impact on the Company's consolidated financial statements and is not expected to have a material effect on the Company's consolidated financial statements in subsequent periods.

In June 2009, ASC Topic 810 was amended to improve financial reporting by enterprises involved with variable interest entities. This Topic addresses (1) the effects on certain provisions regarding the consolidation of variable interest entities, as a result of the elimination of the qualifying special-purpose entity concept in ASC Topic 860 regarding the accounting for transfers of financial assets, and (2) concern about the application of certain key provisions of FASB Interpretation No. 46(R), including those in which the accounting and disclosures under the Interpretation do not always provide timely and useful information about an enterprise's involvement in a variable interest entity. This Topic became effective October 1, 2010, and did not have an impact on the Company's consolidated financial statements.

Other accounting standards that have been issued by the FASB or other standards-setting bodies that do not require adoption until a future date are not expected to have a material impact on the Company's financial statements upon adoption.

3. Acquisitions

Effective October 15, 2010, the Company acquired 100% of the common stock of LASAG AG, Thun (Switzerland) ("LASAG"), through its wholly-owned subsidiary Rofin-Sinar Technologies Europe S.L. Additionally, the Company acquired the LASAG selling and service operations in Germany, Italy, Japan and the United States. LASAG is one of the original laser companies with more than 30 years of experience in the development and manufacturing of industrial solid-state lasers. LASAG markets and sells its laser products for fine cutting, spot welding, drilling and scribing applications to the medical device, automotive, electronic and aerospace industries. In addition, LASAG has special expertise in high-precision drilling and laser processing heads. This purchase resulted in goodwill of approximately \$1.7 million and other intangibles, net of \$2.5 million.

4. Fair Value Measurements

ASC Topic 820 "Fair value measurement and Disclosures" establishes a framework for measuring fair value and expands disclosures about fair value measurements. ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability (an exit price) in an orderly transaction between market participants at the reporting date. The standard establishes a three-tier hierarchy, which prioritizes the inputs used in the valuation methodologies in measuring fair value:

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

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

Financial assets and liabilities measured at fair value on a recurring basis are classified on the valuation technique level in the table below:

	June 30, 2011			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 122,064	\$ 122,064	\$ --	\$ --
Short-term investments	672	672	--	--
Derivatives	(91)	--	(91)	--
Non-current auction rate securities (Note 6)	3,700	--	--	3,700
Total assets and liabilities at fair value	\$ 126,345	\$ 122,736	\$ (91)	\$ 3,700

	September 30, 2010			
	Total	Level 1	Level 2	Level 3
Cash and cash equivalents	\$ 110,628	\$ 110,628	\$ --	\$ --
Short-term investments	5,691	5,691	--	--
Derivatives	(43)	--	(43)	--
Non-current auction rate securities (Note 6)	4,950	--	--	4,950
Total assets and liabilities at fair value	\$ 121,226	\$ 116,319	\$ (43)	\$ 4,950

The changes in the fair value of our non-current auction rate securities measured using significant unobservable inputs (level 3) for the nine-month period ended June 30, 2011, are as follows:

	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
September 30, 2010	\$ 4,950
Settlements	(1,250)
June 30, 2011	\$ 3,700

5. Inventories

Inventories are stated at the lower of cost or market, after provisions for excess and obsolete inventory salable at prices below cost.

Costs are determined using the first in, first out and weighted-average cost methods and are summarized as follows:

	June 30, 2011	September 30, 2010
Finished goods	\$ 29,777	\$ 22,518
Work in progress	56,139	36,163
Raw materials and supplies	65,676	50,704
Demonstration inventory	17,613	14,686
Service parts	31,719	27,688
Total inventories, net	<u>\$ 200,924</u>	<u>\$ 151,759</u>

Net inventory is net of provisions for excess and obsolete inventory of \$27,352 and \$19,945 at June 30, 2011, and September 30, 2010, respectively.

6. Long-Term Investments

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

Through auctions completed in the first nine months of fiscal year 2011, the Company reduced its holdings of auction rate securities to approximately \$3.7 million at June 30, 2011. All such auctions resulted in sales, for cash, at par value. At June 30, 2011, the Company held two individual auction rate securities. The Company does not believe that the remaining balance of auction rate securities represent a significant portion of the Company's total liquidity. Although the Company believes these investments will become liquid within the next twelve months, it is uncertain what impact the current economic environment will have on this position and therefore, they have been classified as long-term assets on the consolidated balance sheet.

7. Goodwill and Other Intangible Assets

The changes in the carrying amount of goodwill for the nine-month period ended June 30, 2011, are as follows:

	<u>Germany</u>	<u>United States</u>	<u>Rest of World</u>	<u>Total</u>
Balance as of September 30, 2010	\$ 43,997	\$ 13,445	\$ 32,354	\$ 89,796
Additions and other adjustments	--	(125)	1,714	1,589
Currency translation effect	2,429	182	958	3,569
Balance as of June 30, 2011	<u>\$ 46,426</u>	<u>\$ 13,502</u>	<u>\$ 35,026</u>	<u>\$ 94,954</u>

The carrying values of other intangible assets are as follows:

	<u>June 30, 2011</u>		<u>September 30, 2010</u>	
	<u>Gross Carrying Amount</u>	<u>Accumulated Amortization</u>	<u>Carrying Amount</u>	<u>Accumulated Amortization</u>
Amortized Intangible Assets:				
Patents	\$ 11,204	\$ 7,192	\$ 10,293	\$ 5,983
Customer base	19,968	15,553	16,310	14,842
Other	21,769	17,461	19,275	14,875
Total	<u>\$ 52,941</u>	<u>\$ 40,206</u>	<u>\$ 45,878</u>	<u>\$ 35,700</u>

Amortization expense for the nine-month periods ended June 30, 2011 and 2010, was \$2.0 million and \$1.7 million, respectively. At June 30, 2011, estimated amortization expense for the remainder of fiscal year 2011 and the next five fiscal years based on the average exchange rates as of June 30, 2011, is as follows:

2011 (remainder)	\$0.7 million
2012	2.7 million
2013	2.6 million
2014	2.4 million
2015	2.1 million
2016	1.9 million

8. Accrued Liabilities

Accrued liabilities are comprised of the following:

	June 30, 2011	September 30, 2010
Employee compensation	\$ 22,363	\$ 20,814
Warranty reserve	13,056	10,417
Customer deposits	27,593	16,531
Other taxes payable	191	181
Other	20,003	15,943
Total accrued liabilities	<u>\$ 83,206</u>	<u>\$ 63,886</u>

9. Income Taxes

The Company's policy is to recognize interest and penalties accrued on any unrecognized tax benefits as interest expense and SG&A, respectively. The Company has classified unrecognized tax benefits as non-current because payment is not anticipated within one year of the balance sheet date.

As of June 30, 2011, the Company's gross unrecognized tax benefits totaled \$0.7 million which includes approximately \$0.1 million of interest and penalties. The Company estimates that the unrecognized tax benefits will not change significantly within the next year.

The Company files federal and state income tax returns in several domestic and foreign jurisdictions. In most tax jurisdictions, returns are subject to examination by the relevant tax authorities for a number of years after the returns have been filed. With limited exceptions, the Company is no longer subject to examination by the United States Internal Revenue Service for years through 2005. With respect to state and local tax jurisdictions and countries outside the United States, with limited exceptions, the Company is no longer subject to income tax audits for years before 2004.

During the second quarter of fiscal year 2011, the income tax provision was favorably impacted by approximately \$0.8 million related to an adjustment for tax benefits expected to be realized by the recently acquired LASAG business, based on new information regarding the availability of these tax benefits obtained by the Company in the second quarter of fiscal year 2011.

10. Product Warranties

The Company provides for the estimated costs of product warranties when revenue is recognized. The estimate of costs to fulfill warranty obligations is based on historical experience and an expectation of future conditions.

The changes in warranty reserves for the nine-month periods ended June 30, 2011 and 2010, are as follows:

	2011	2010
Balance at September 30,	\$ 10,417	\$ 8,962
Additional accruals for warranties during the period	5,683	3,104
Usage during the period	(3,654)	(1,621)
Currency translation	610	(1,389)
Balance at June 30,	<u>\$ 13,056</u>	<u>\$ 9,056</u>

11. Treasury Stock

On May 5, 2010, the Board of Directors authorized the Company to initiate a share buyback of up to \$30.0 million of the Company's common stock over twelve months, subject to market conditions, through purchases from time to time in open market transactions or privately negotiated transactions at the Company's discretion, including as to the quantity, timing and price thereof. Through March 31, 2011, the Company has purchased approximately 1.1 million shares of common stock, at an average price of \$25.96, under the stock buyback program for a total price of \$28.2 million. There were no purchases of shares under the stock buyback program during the three months ended June 30, 2011.

12. Stock Incentive Plans

The Company maintains an Incentive Stock Plan, whereby incentive and non-qualified stock options, restricted stock and performance shares may be granted to officers and other key employees to purchase a specified number of shares of common stock at a price not less than the fair market value on the date of grant. The term of the Incentive Stock Plan continues through 2017. There were no incentive stock options, restricted stock or performance shares granted in fiscal year 2010 or through the first nine months of fiscal year 2011. Non-qualified stock options were granted to officers and other key employees in the second quarter of fiscal years 2011 and 2010. During the nine-month period ended June 30, 2011, outside directors each received 3,000 shares of common stock, from the 2007 Incentive Stock Plan, that were fully vested upon grant. Options to other key employees generally vest over five years and will expire not later than ten years after the date on which they are granted.

The fair value of each option award is estimated on the date of grant using the Black-Scholes model. The following assumptions were used in these calculations:

	2011 Grants	2010 Grants
Grant date fair value	\$ 15.48	\$ 10.42
Expected life	5 Years	5 Years
Volatility	46.12%	47.23%
Risk-free interest rate	2.01%	2.52%
Dividend yield	0%	0%
Annual forfeiture rate	2%	2%

Options to purchase 340,250 shares of stock were granted in the three-month period ended March 31, 2011. The Company uses historical data to estimate the expected life, volatility, and annual forfeiture rates of outstanding options. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant.

The balance of outstanding stock options and all options activity at and for the nine months ended June 30, 2011, are as follows:

	Number of Shares	Weighted Average Exercise Price	Weighted Average Remaining Contractual Term (Years)	Aggregate Intrinsic Value (in millions)
Balance at September 30, 2010	2,963,200	\$ 22 4/5	6.29	
Granted	340,250	35 1/5		
Exercised	(427,600)	16 2/8		
Cancelled	--	--		
Forfeited	(4,400)	31 2/3		
Balance at June 30, 2011	2,871,450	\$ 25 1/6	6.07	\$ 27.8
Exercisable at June 30, 2011	1,853,750	\$ 23 1/2	4.86	\$ 20.8

As of June 30, 2011, there was \$11.7 million of total unrecognized compensation costs related to stock options. These costs are expected to be recognized over a weighted-average period of 3.39 years.

During the three-month and nine-month periods ended June 30, 2011 and 2010, the following activity occurred under the Incentive Stock Plan:

	(in millions)			
	Three Months Ended June 30,		Nine Months Ended June 30,	
	2011	2010	2011	2010
Total intrinsic value of stock options exercised	\$ 1.1	\$ --	\$ 7.7	\$ 1.4

Cash received from stock option exercises for the nine-month periods ended June 30, 2011 and 2010, was \$6.95 million and \$3.0 million, respectively.

13. Earnings Per Common Share

The basic per common share (EPS) calculation is computed by dividing net income (loss) available to RSTI common stockholders by the weighted-average number of shares outstanding during the period. Diluted earnings per common share reflect the potential dilution from common stock equivalents (stock options).

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

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2011	2010	2011	2010
Weighted-average number of shares for BASIC net income per common share	28,448,668	28,845,983	28,428,656	29,989,113
Potential additional shares due to outstanding dilutive stock options	744,148	421,384	758,130	414,202
Weighted-average number of shares for DILUTED net income per common share	29,129,816	29,267,367	29,186,816	29,403,315

The weighted average diluted shares outstanding for the nine-month periods ended June 30, 2011 and 2010, excludes the dilutive effect of approximately 0.5 million and 1.6 million stock options, respectively, since the impact of including these options in diluted earnings per share for these periods was antidilutive.

14. Defined Benefit Plans

Components of net periodic cost were as follows for the three and nine-month periods ended June 30, 2011 and 2010:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2011	2010	2011	2010
Service cost	\$ 206	\$ 196	\$ 605	\$ 609
Interest cost	314	287	921	904
Expected return on plan assets	(129)	(115)	(383)	(344)
Amortization of prior service costs	--	--	--	--
Amortization of net loss	26	35	77	105
Net periodic pension cost	\$ 417	\$ 403	\$ 1,220	\$ 1,274

15. Segment and Geographic Information

Assets, revenues, and income before taxes, by geographic region, attributed based on the geographic location of the RSTI entities, are summarized below:

	<u>June 30,</u> <u>2011</u>		<u>September 30,</u> <u>2010</u>					
ASSETS								
North America	\$	221,148	\$	209,677				
Germany		431,935		367,855				
Other		288,469		231,809				
Intercompany eliminations		(284,353)		(251,149)				
		<u>\$ 657,199</u>		<u>\$ 558,192</u>				
LONG-LIVED ASSETS								
North America	\$	11,111	\$	11,714				
Germany		39,113		33,752				
Other		14,541		7,234				
Intercompany eliminations		(39)		(49)				
		<u>\$ 64,726</u>		<u>\$ 52,651</u>				
		Three Months Ended		Nine Months Ended				
		June 30,		June 30,				
		2011	2010	2011	2010			
NET SALES								
North America	\$	41,723	\$	29,559	\$	121,296	\$	79,135
Germany		113,415		77,920		310,708		216,677
Other		59,927		42,373		163,513		112,139
Intercompany eliminations		(60,154)		(39,544)		(167,268)		(108,735)
		<u>\$ 154,911</u>		<u>\$ 110,308</u>		<u>\$ 428,249</u>		<u>\$ 299,216</u>
INTERCOMPANY SALES								
North America	\$	3,424	\$	2,127	\$	10,320	\$	4,439
Germany		42,763		29,144		119,580		80,407
Other		13,967		8,273		37,368		23,889
Intercompany eliminations		(60,154)		(39,544)		(167,268)		(108,735)
		<u>\$ --</u>		<u>\$ --</u>		<u>\$ --</u>		<u>\$ --</u>

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2011	2010	2011	2010
EXTERNAL SALES				
North America	\$ 38,298	\$ 27,432	\$ 110,976	\$ 74,696
Germany	70,652	48,776	191,128	136,270
Other	45,961	34,100	126,145	88,250
	<u>\$ 154,911</u>	<u>\$ 110,308</u>	<u>\$ 428,249</u>	<u>\$ 299,216</u>
INCOME (LOSS) BEFORE INCOME TAX				
North America	\$ 2,118	\$ 1,264	\$ 8,444	\$ (1,016)
Germany	15,476	11,663	46,193	24,008
Other	5,198	2,620	12,846	5,402
Intercompany eliminations	(599)	(853)	(5,021)	(894)
	<u>\$ 22,193</u>	<u>\$ 14,694</u>	<u>\$ 62,462</u>	<u>\$ 27,500</u>

16. Enterprise Wide Information

The Company generates revenues from the sale and servicing of laser products used for macro applications, from the sale and servicing of laser products for marking and micro applications, and from the sale of components.

Product sales are summarized below:

	Three Months Ended June 30,		Nine Months Ended June 30,	
	2011	2010	2011	2010
Macro applications	\$ 63,078	\$ 42,838	\$ 170,094	\$ 124,365
Marking and micro applications	76,780	55,558	215,279	143,103
Components	15,053	11,912	42,876	31,748
	<u>\$ 154,911</u>	<u>\$ 110,308</u>	<u>\$ 428,249</u>	<u>\$ 299,216</u>

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 "RSTI", "Rofin-Sinar", or the "Company" or "we", "us" or "our") is a leader in the design, development, engineering, manufacture and marketing of laser-based products used for cutting, welding and marking a wide range of materials.

Through our global manufacturing, distribution and service network, we provide a comprehensive range of laser sources and laser-based system solutions to the following principal target markets: the machine tool, automotive, semiconductor, electronics, and photovoltaic 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 2011 and 2010, we realized approximately 41% and 39%, respectively, of revenues from the sale and servicing of laser products used for macro applications, approximately 49% and 50%, respectively, from the sale and servicing of laser products for marking and micro applications, and approximately 10% and 11%, respectively, from the sale of components.

During the third quarter, we posted record quarterly order entry and sales figures, primarily due to higher business volumes in the machine tool, automotive and electronic industries, especially in Asia. Sales increased by 40%, order entry by 27%, and net income by 58% compared to the third quarter of last fiscal year. With our record order backlog, we are confident about our results in the fourth quarter of fiscal year 2011. Furthermore, we believe that our investments in fiber laser technology have positioned us to be a strong partner for our customers in the laser material processing industry and complement our mid- to long-term growth strategy.

At June 30, 2011, Rofin-Sinar had 2,059 employees compared to 1,761 employees at June 30, 2010.

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,	
	2011	2010	2011	2010
Net sales	100%	100%	100%	100%
Cost of goods sold	61%	61%	60%	61%
Gross profit	39%	39%	40%	39%
Selling, general and administrative expenses	19%	21%	19%	23%
Research and development expenses	6%	7%	6%	8%
Intangibles amortization	0%	1%	1%	1%
Income from operations	14%	11%	14%	8%
Income before income taxes	14%	13%	15%	9%
Net income attributable to RSTI	10%	9%	10%	6%

Net Sales - Net sales of \$154.9 million and \$428.2 million represent increases of \$44.6 million, or 40%, and \$129.0 million, or 43%, for the three- and nine-month periods ended June 30, 2011, as compared to the corresponding periods in fiscal year 2010. The increase for the three months ended June 30, 2011, resulted from a net sales increase of \$38.1 million, or 43%, in Europe and Asia, and an increase of \$6.5 million, or 31%, in North America, compared to the corresponding periods in fiscal year 2010. The increase for the nine months ended June 30, 2011, compared to the corresponding period in fiscal year 2010, resulted from a net sales increase of \$104.3 million, or 43%, in Europe and Asia, and an increase of \$24.7 million, or 46%, in North America. The U.S. dollar weakened against foreign currencies, primarily against the Euro, which had a favorable effect on net sales of \$8.0 million for the nine month period ended June 30, 2011.

Net sales of laser products for macro applications increased by \$20.2 million, or 47%, to \$63.1 million and by \$45.7 million, or 37%, to \$170.1 million for the three- and nine-month periods ended June 30, 2011, as compared to the corresponding periods of fiscal year 2010. The increase was mainly attributable to the continued high demand for our lasers for macro applications in the machine tool industry, especially in Asia, and improved demand in the automotive industry.

Net sales of lasers for marking and micro applications increased by \$21.2 million, or 38%, to \$76.8 million for the three-month period ended June 30, 2011, as compared to the corresponding period in fiscal year 2010, mainly due to higher revenues from the medical, jewelry, and electronics industries. Net sales for marking and micro applications increased by \$72.2 million, or 50%, to \$215.3 million for the nine-month period ended June 30, 2011, as compared to the corresponding periods in fiscal year 2010, mainly due to higher revenues from the medical, consumer electronics and solar industries, as well as sales attributable to the LASAG acquisition.

Revenues for the components business increased by \$3.2 million, or 27%, to \$15.1 million for the three-month period ended June 30, 2011. Revenues for the nine-month period ended June 30, 2011, increased by \$11.1 million, or 35%, to \$42.9 million as compared to the corresponding period in fiscal year 2010 mainly due to the demand for our fiber and diode products.

Gross Profit - Our gross profit of \$60.7 million and \$171.8 million for the three and the nine-month periods ended June 30, 2011, represents increases of \$17.8 million, or 41%, and \$55.9 million, or 48%, from the corresponding periods of fiscal year 2010. As a percentage of sales, gross profit remained unchanged at 39% for the three-month period ended June 30, 2011, and increased from 39% to 40% for the nine-month period ended June 30, 2011, as compared to the corresponding periods in fiscal year 2010. The slight increase in our gross margin for the nine-month period was mainly the result of the higher level of business with the corresponding higher absorption of fixed costs, and an increase in our spare parts and component business. Gross profit was favorably affected by \$2.9 million due to the weakening of the U.S. dollar against foreign currencies, primarily against the Euro in the nine-month period ended June 30, 2011.

Selling, General and Administrative Expenses - Selling, general and administrative ("SG&A") expenses of \$28.7 million and \$80.4 million for the three and nine-month periods ended June 30, 2011, represent an increase of \$6.0 million, or 26%, for the three-month period, and \$12.7 million, or 19%, for the nine-month period, from the corresponding periods of fiscal year 2010. The increase in SG&A expenses is mainly a result of the additional expenses from the LASAG acquisition, as well as additional sales employees, higher commissions related to the higher level of business, and expenses related to advertisement and exhibition at the bi-annual laser industry show. SG&A, a significant portion of which is incurred in foreign currencies, was unfavorably affected by \$1.7 million due to the weakening of the U.S. dollar against foreign currencies, primarily the Euro for the nine-month period ended June 30, 2011. As a percentage of net sales, SG&A expenses decreased from 21% to 19% and from 23% to 19% for both the three- and nine-month periods ended June 30, 2011, respectively, as compared to the comparable prior year periods.

Research and Development - The Company spent net \$9.5 million and \$27.6 million on research and development ("R&D") during the three- and nine-month periods ended June 30, 2011, respectively, which represents an increase of 25% and 19%, respectively, as compared to the corresponding periods of the prior year. Gross R&D expenses for the three-month periods ended June 30, 2011 and 2010, were \$10.0 million and \$8.1 million, respectively, and were reduced by \$0.5 million of government grants during each respective period. Gross R&D expenses for the nine-month periods ended June 30, 2011 and 2010, were \$29.4 million and \$24.9 million, respectively, and were reduced by \$1.8 million and \$1.7 million of government grants during each respective period. R&D, a significant portion of which is conducted in Europe, and therefore incurred in foreign currencies, was unfavorably affected by \$0.5 million due to the weakening of the U.S. dollar against foreign currencies, primarily the Euro for the nine-month period ended June 30, 2011.

Amortization Expense - Amortization expense for the three- and nine-month periods ended June 30, 2011, amounted to \$0.7 million and \$2.0 million, respectively. This represents an increase of \$0.1 million and \$0.2 million for the three- and nine-month periods when compared to the same periods of fiscal year 2010.

Other Income/Expenses - Net other income was \$0.4 million for the three-month period ended June 30, 2011, compared to net other income of \$2.7 million in the corresponding period of the prior year. Net other income of \$0.6 million for the nine-month period ended June 30, 2011, represents a decrease of \$3.5 million compared to \$4.1 million in the corresponding period of the prior year. Net interest expense, within this category, includes \$0.1 million of interest income offset by \$0.1 million of interest expense for the three months ended June 30, 2011, and \$0.5 million of interest income offset by \$0.5 million of interest expense for the nine months ended June 30, 2011. The decrease in net other income in the three- and nine-month periods ended June 30, 2011, is primarily due to higher exchange losses in the current year periods compared the corresponding periods of last fiscal year.

Income Tax Expense - Income tax expense of \$6.7 million and \$19.1 million for the three and nine-month periods ended June 30, 2011, represents an effective tax rate of 30% and 31% compared to 33% and 34% for the corresponding periods of the prior year. The lower overall effective income tax rate is primarily the result of higher taxable income generated in countries with lower tax rates and additional tax benefits realized from the recently acquired LASAG business. Income tax expense, a significant portion of which is incurred in foreign currencies, was unfavorably affected \$0.3 million due to the weakening of the U.S. dollar against foreign currencies, primarily the Euro in the nine-month period ended June 30, 2011.

Net Income Attributable to RSTI - As a result of the foregoing factors, the Company realized consolidated net income attributable to RSTI of \$15.2 million and \$42.8 million for the three- and nine-month periods ended June 30, 2011, which represents an increase of \$5.6 million and \$24.9 million for the three and nine months from the corresponding periods in fiscal year 2010. For the three-month period ended June 30, 2011, the basic and diluted per common share calculation equaled \$0.54 and \$0.52, respectively, based upon a weighted average of 28.4 million and 29.2 million common shares outstanding, as compared to basic and diluted per common share calculation of \$0.34 and \$0.33, based upon a weighted average of 28.8 million and 29.3 million common shares outstanding for the corresponding period last fiscal year.

Liquidity and Capital Resources

The Company's primary sources of liquidity at June 30, 2011, were cash and cash equivalents of \$122.1 million, short-term investments of \$0.7 million, short-term credit lines of \$80.2 million and long-term credit lines of \$16.4 million. As of June 30, 2011, \$6.8 million was outstanding under the short-term lines of credit and \$9.6 million was used for bank guarantees under these lines of credit, leaving \$63.8 million available for borrowing under our short-term lines of credit. In addition, the Company maintained short-term credit lines specific to bank guarantees for \$6.8 million, of which \$0.3 million was used. Therefore, \$70.3 million was unused and available under our short-term and bank guarantee lines of credit, in aggregate, at June 30, 2011. At such date the entire amount of our long-term lines of credit was fully drawn. The Company is subject to financial covenants, which could restrict the Company from drawing money under these lines of credit. At June 30, 2011, the Company was in compliance with these covenants.

Cash and cash equivalents increased by \$11.4 million during the nine-month period ended June 30, 2011. Approximately \$32.1 million in cash and cash equivalents were provided by operating activities, mainly as the result of the increase in net income for the nine months ended June 30, 2011, changes in accrued liabilities, changes in income tax payable and non-cash transactions (stock-based compensation expense and depreciation), partially offset by changes in inventories and in accounts receivable.

Net cash used in investing activities totaled \$19.7 million for the nine-month period ended June 30, 2011, and were primarily related to the acquisition of LASAG and additions to property and equipment, including the acquisition of a new facility in Finland to increase manufacturing capacity of the Company's fiber laser series, which was partially offset by the net sale of short-term and long-term investments.

Net cash used in financing activities totaled \$5.4 million for the nine-month period ended June 30, 2011, and was primarily related to repurchase transactions under our stock buy back program and repayment of indebtedness to banks, which was partially offset by the issuance of common stock from option exercises and borrowings from banks.

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

The Company has listed all its material contractual obligations in the Annual Report on Form 10-K, for the fiscal year ended September 30, 2010, and has not entered into any further material contractual obligations since that date.

On May 5, 2010, the Board of Directors authorized the Company to initiate a share buyback of up to \$30.0 million of the Company's common stock over twelve months, subject to market conditions, through purchases from time to time in open market transactions or privately negotiated transactions at the Company's discretion, including as to the quantity, timing and price thereof. Through March 31, 2011, the Company has purchased approximately 1.1 million shares of common stock, at an average price of \$25.96, under the stock buyback program for a total price of \$28.2 million. There were no purchases of shares under the stock buyback program during the three months ended June 30, 2011.

Off-Balance Sheet Arrangements

The Company has no off-balance sheet arrangements or financing arrangements (other than operating leases) involving variable interest entities.

Currency Exchange Rate Fluctuations

Although we report our Consolidated Financial Statements in U.S. dollars, approximately 63% of our sales are denominated in other currencies, primarily the Euro, British pound, Swiss francs, Swedish krona, Singapore dollar, Taiwanese dollar, Korean won, Canadian dollar, Chinese RMB, and Japanese yen. Net sales, costs and related assets and liabilities of our operations are generally denominated in the functional currencies of the relevant operating units, thereby serving to reduce the Company's exposure to exchange gains and losses.

Exchange differences upon translation from each operating unit's functional currency to U.S. dollars are accumulated as a separate component of equity. The accumulated currency translation adjustment component of stockholders' equity represented a gain of \$36.9 million at June 30, 2011, as compared to a gain of \$17.6 million at September 30, 2010.

Critical Accounting Policies

Our significant accounting policies are more fully described in Part 2, Item 8, Note 1 of our consolidated financial statements in our Annual Report on Form 10-K, for the fiscal year ended September 30, 2010. Certain of the accounting policies require the application of significant judgment by management in selecting appropriate assumptions for calculating financial estimates. By their nature, these judgments are subject to an inherent degree of uncertainty.

Allowance for Doubtful Accounts

The Company records allowances for uncollectible customer accounts receivable based on historical experience. Additionally, an allowance is made based on an assessment of specific customers' financial condition and liquidity. If the financial condition of the Company's customers were to deteriorate, additional allowances may be required. No individual customer represents more than 10% of total accounts receivable. Any increase in allowance will impact operating income during a given period.

Inventory Valuation

Inventories are stated at the lower of cost or market, after provisions for excess and obsolete inventory salable at prices below cost. Provisions for slow moving and obsolete inventories are provided based on current assessments about historical experience and future product demand and production requirements for the next twelve months. These factors are impacted by market conditions, technology changes, and changes in strategic direction, and require estimates and management judgment that may include elements that are uncertain. The Company evaluates the adequacy of these provisions quarterly. Although the Company strives to achieve a balance between market demands and risk of inventory excess or obsolescence, it is possible that, should conditions change, additional provisions may be needed. Any changes in the provisions will impact operating income during a given period.

Warranty Reserves

The Company provides reserves for the estimated costs of product warranties when revenue is recognized. The Company relies upon historical experience, expectation of future conditions, and its service data to estimate its warranty reserve. The Company continuously monitors this data to ensure that the reserve is sufficient. Warranty expense has historically been within our expectations. To the extent we experience increased warranty claim activity or increased costs associated with servicing those claims (such costs may include material, labor and travel costs), revisions to the estimated warranty liability would be required. Increases in reserves will impact operating income during the period.

Pension

The determination of the Company's obligation and expense for pension is dependent on the selection of certain assumptions used by actuaries in calculating those amounts. Assumptions are made about interest rates, expected investment return on plan assets, total turnover rates, and rates of future compensation increases. In addition, the Company's actuarial consultants use subjective factors such as withdrawal rates and mortality rates to develop their calculations of these amounts. The Company generally reviews these assumptions at the beginning of each fiscal year. The Company is required to consider current market conditions, including changes in interest rates, in making these assumptions. The actuarial assumptions that the Company may use may differ materially from actual results due to changing market and economic conditions, higher or lower withdrawal rates or longer or shorter life spans of participants. These differences may result in a significant impact on the amount of pension benefits expense the Company has recorded or may record.

The discount rate enables the Company to state expected future cash flows at a present value on the measurement date. The Company has little latitude in selecting this rate, and it must represent the market rate of high-quality fixed income investments. A lower discount rate increases the present value of benefit obligations and increases pension expense.

To determine the expected long-term rate of return on plan assets, the Company considers the current and expected 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 the 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. ASC Topic 718, "Stock Compensation", 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-based compensation expense related to all other employees is treated as a permanent difference for income tax purposes.

Ownership of Common Stock By Directors

The following table sets forth information as of June 30, 2011, 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, 2011	Number of Exercisable Stock Options Owned at June 30, 2011
Peter Wirth	12,600	125,000	119,000
Gunther Braun	6,000	680,000	522,000
Carl F. Baasel	152,000	--	--
Ralph E. Reins (1)	24,000	--	--
Gary K. Willis (1)	36,000	--	--
Daniel Smoke (1)	32,000	--	--
Stephan Fantone (1)	7,000	--	--

(1) Outside, non-executive directors

Item 3. Quantitative and Qualitative Disclosures about Market Risk

For the nine-month period ended June 30, 2011, 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, 2010.

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

At June 30, 2011, the Company maintained cash equivalents and short term investments of \$122.7 million, consisting mainly of interest bearing securities and demand deposits. If interest rates were to increase or decrease by 10%, interest income would increase or decrease by less than \$0.1 million.

At June 30, 2011, the Company had \$10.5 million of variable rate debt on which the interest rate is reset every three months, \$2.5 million of variable rate debt on which the interest rate is reset every year and \$10.2 million of fixed rate debt. Maturities of this debt are as follows: \$3.1 million is due in fiscal year 2011, \$4.4 million is due in fiscal year 2012, \$9.0 million is due in fiscal year 2013, \$2.0 million is due in fiscal year 2014, \$1.5 million is due in fiscal year 2015 and \$3.3 million is due in fiscal 2016. A 10% change in the variable interest rates of the Company's debt would result in an increase or decrease in pre-tax interest expense by less than \$0.1 million.

Additionally, the Company has entered into interest rate swap agreements of total notional amounts of Euro 3.2 million and Swiss francs 4.5 million (equivalent to \$4.6 million and \$5.4 million, respectively, based on the exchange rates at June 30, 2011), to minimize the interest expenses on short-term and long-term debt by shifting from variable to fixed interest rates.

Foreign Currency Exchange Risk

The Company enters into foreign currency forward contracts and forward exchange options generally of less than one year duration to hedge a portion of its foreign currency risk on sales transactions. At June 30, 2011, the Company held Japanese yen forward exchange options with notional amount of Euro 0.2 million and Japanese yen forward exchange options with notional amount of \$0.1 million. The profit or loss resulting from a 10% change in currency exchange rates would vary approximately from less than \$0.1 million profit to less than \$0.1 million loss.

Item 4. Controls and Procedures

As of the end of the quarterly period covered by this report, the Chief Executive Officer and Chief Financial Officer of the Company (collectively, the "certifying officers") have evaluated the effectiveness of the Company's disclosure controls and procedures (as such term is defined in Rules 13a-15(e) and 15d-15(e) under the Securities and Exchange Act of 1934, as amended). These disclosure controls and procedures are designed to ensure that the information required to be disclosed by the Company in its periodic reports filed with the Securities and Exchange Commission (the "Commission") is recorded, processed, summarized and reported within the time periods specified by the Commission's rules and forms, and that the information is communicated to the certifying officers on a timely basis.

The certifying officers concluded, based on their evaluation, that the Company's disclosure controls and procedures were effective, as of the end of the quarterly period covered by this report, in ensuring that material information relating to the Company, including its consolidated subsidiaries, is made known to them in a timely fashion, taking into consideration the size and nature of the Company's business and operations.

There have not been changes in the Company's internal control over financial reporting that occurred during the quarterly period covered by this report that have materially affected, or are reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

We have been and are likely to be involved from time to time in litigation involving our intellectual property and routine litigation arising in the ordinary course of business.

A licensor of patents covering the technology used in certain of the Company's CO2 lasers has asserted that the Company has calculated royalties due in respect of certain sales of such CO2 lasers in a manner that is not consistent with the applicable license agreement. In addition, the licensor claims that it has not been provided with copies of invoices and other documentation relating to such sales, to which it asserts it is entitled under the license agreement. The Company disputes these and related allegations and believes that it is in compliance with all of its obligations under the license agreement. Following discussions with the licensor in order to resolve these disagreements, the parties have reached an agreement in principle that an independent auditor should be appointed to review the calculations made by the Company in connection with the royalties it has paid in the past. To date the audit has not commenced. In February 2008, the Company contacted the licensor in writing in order to proceed with the appointment of an independent auditor and agree on parameters to apply to the conduct of the audit and a response from the licensor was received in January 2009. Through additional correspondence exchanged in March 2009, the Company and the licensor are in the process of selecting a mutually agreeable independent auditor. Management believes that it will achieve a resolution of this matter that will not have a material adverse impact on the Company's financial condition or results of operations or cash flows.

Item 1A. Risk Factors

For information regarding risk factors that could affect the Company's results of operations, financial condition and liquidity, see the risk factors discussion provided under "Risk Factors" in Item 1A of the Company's Annual Report on Form 10-K for the year ended September 30, 2010. See also, "Overview" and "Forward-Looking Statements" included in this Quarterly Report on Form 10-Q.

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

On May 5, 2010, the Board of Directors authorized the Company to initiate a share buyback of up to \$30.0 million of the Company's common stock over twelve months, subject to market conditions, through purchases from time to time in open market transactions or privately negotiated transactions at the Company's discretion, including as to the quantity, timing and price thereof. Through March 31, 2011, the Company has purchased approximately 1.1 million shares of common stock, at an average price of \$25.96, under the stock buyback program for a total price of \$28.2 million. There were no purchases of shares under the stock buyback program during the three months ended June 30, 2011.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Removed and Reserved**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
101.INS XBRL Instance Document
101.SCH XBRL Taxonomy Extension Schema
101.CAL XBRL Taxonomy Extension Calculation Linkbase
101.LAB XBRL Taxonomy Extension Label Linkbase
101.PRE XBRL Taxonomy Extension Presentation Linkbase
101.DEF XBRL Taxonomy Extension Definition Linkbase

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 9, 2011

/s/ Gunther Braun

Gunther Braun
President, Chief Executive Officer,
and Director

/s/ Ingrid Mittelstaedt

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

CERTIFICATION OF THE CHIEF EXECUTIVE OFFICER

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

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

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

Date: August 9, 2011

/s/ Gunther Braun
Gunther Braun
President,
Chief Executive Officer and
Director

CERTIFICATION OF THE CHIEF FINANCIAL OFFICER

I, Ingrid Mittelstaedt, Chief Financial Officer, of Rofin-Sinar Technologies, Inc., certify that:

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

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

Date: August 9, 2011

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

ROFIN-SINAR TECHNOLOGIES INC.
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Rofin-Sinar Technologies Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Gunther Braun, Chief Executive Officer and President of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: August 9, 2011

/s/ Gunther Braun
Gunther Braun
President,
Chief Executive Officer and
Director

ROFIN-SINAR TECHNOLOGIES INC.
CERTIFICATION PURSUANT TO 18 U.S.C. SECTION 1350,
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

In connection with the Quarterly Report of Rofin-Sinar Technologies Inc. (the "Company") on Form 10-Q for the quarter ended June 30, 2011 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ingrid Mittelstaedt, Chief Financial Officer of the Company, certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that:

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

Date: August 9, 2011

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