

Quarterly Report

2nd Quarter Fiscal 2002

Jan. 1, 2002 - Mar. 31, 2002



ROFIN-SINAR Technologies Inc.

NASDAQ:

RSTI

Neuer Markt:

902757

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 March 31, 2002

Commission file number: 000-21377

ROFIN-SINAR TECHNOLOGIES, INC.

(Exact name of registrant as specified in its charter)

Delaware

(State of other jurisdiction of
incorporation or organization)

38-3306461

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

45701 Mast Street, 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

11,550,300 shares of the registrant's common stock, par value \$0.01 per share, were outstanding as of May 14, 2002.

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ROFIN-SINAR TECHNOLOGIES INC.

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

| | March 31, 2002 (Unaudited) | September 30, 2001 (Audited) |
|---|----------------------------------|------------------------------------|
| | ----- | ----- |
| ASSETS | | |
| Current Assets | | |
| Cash and cash equivalents | \$ 14,922 | \$ 13,487 |
| Accounts receivable, trade, net | 51,951 | 55,412 |
| Inventories (Note 3) | 68,528 | 70,328 |
| Deferred income tax assets - current | 5,432 | 5,222 |
| Other current assets and prepaid expenses | 4,728 | 3,648 |
| | ----- | ----- |
| Total current assets | 145,561 | 148,097 |
| Property and equipment, net | 22,031 | 22,846 |
| Goodwill, net | 46,226 | 51,445 |
| Deferred income tax assets - noncurrent | 1,172 | 1,878 |
| Other assets | 477 | 484 |
| | ----- | ----- |
| Total assets | \$ 215,467 | \$ 224,750 |
| | ===== | ===== |
| LIABILITIES AND STOCKHOLDERS' EQUITY | | |
| Current Liabilities: | | |
| Line of credit and short term borrowings | \$ 19,763 | \$ 27,528 |
| Accounts payable, trade | 11,159 | 12,325 |
| Accounts payable to related party | 7,234 | 6,349 |
| Income tax payable | 4,023 | 5,133 |
| Accrued liabilities | 30,851 | 31,353 |
| | ----- | ----- |
| Total current liabilities | 73,030 | 82,688 |
| Long-term debt | 38,195 | 36,784 |
| Pension obligations | 5,268 | 5,120 |
| Minority interests | 849 | 859 |
| Other long-term liabilities | 249 | 248 |
| | ----- | ----- |
| Total liabilities | 117,591 | 125,699 |

| | | |
|--|------------|------------|
| Stockholders' equity | | |
| Preferred stock, 5,000,000 shares authorized, none issued or outstanding | 0 | 0 |
| Common stock, \$0.01 par value, 50,000,000 shares authorized, 11,550,300 (11,546,500 at September 30, 2001) issued and outstanding | 115 | 115 |
| Additional paid-in-capital | 76,140 | 76,123 |
| Retained earnings | 35,738 | 34,360 |
| Accumulated other comprehensive loss | (14,117) | (11,547) |
| | ----- | ----- |
| Total stockholders' equity | 97,876 | 99,051 |
| | | |
| Total liabilities and stockholders' equity | \$ 215,467 | \$ 224,750 |
| | ===== | ===== |

See accompanying notes to condensed consolidated financial statements

Rofin-Sinar Technologies Inc. and Subsidiaries
Condensed Consolidated Statements of Operations (Unaudited)
Periods Ended March 31, 2002 and 2001
(dollars in thousands, except per share amounts)

| | Three Months Ended March 31, | | Six Months Ended March 31, | |
|--|---------------------------------|------------|-------------------------------|------------|
| | 2002 | 2001 | 2002 | 2001 |
| Net sales | \$ 53,430 | \$ 58,255 | \$ 102,169 | \$ 112,076 |
| Cost of goods sold | 33,297 | 35,221 | 64,229 | 68,037 |
| Gross profit | 20,133 | 23,034 | 37,940 | 44,039 |
| Selling, general, and administrative expenses | 11,433 | 10,296 | 22,063 | 19,774 |
| Research and development expenses | 3,086 | 3,966 | 6,236 | 7,685 |
| Goodwill amortization | 896 | 911 | 1,817 | 1,801 |
| Income from operations | 4,718 | 7,861 | 7,824 | 14,779 |
| Other expense (income): | | | | |
| Interest expense (income), net | 937 | 1,076 | 1,946 | 1,721 |
| Minority interest | 222 | 328 | 543 | 529 |
| Other expenses (income) | 311 | 39 | 167 | (244) |
| Income before income taxes | 3,248 | 6,418 | 5,168 | 12,773 |
| Income tax expense | 2,147 | 3,327 | 3,790 | 6,649 |
| Net income | \$ 1,101 | \$ 3,091 | \$ 1,378 | \$ 6,124 |
| Net income per common share (Note 4): | | | | |
| Basic | \$ 0.10 | \$ 0.27 | \$ 0.12 | \$ 0.53 |
| Diluted | \$ 0.10 | \$ 0.27 | \$ 0.12 | \$ 0.53 |
| Weighted average shares used in computing net income per share (Note 4): | | | | |
| Basic | 11,550,300 | 11,542,700 | 11,550,300 | 11,542,700 |
| Diluted | 11,623,115 | 11,578,096 | 11,593,004 | 11,576,287 |

See accompanying notes to condensed consolidated financial statements

Rofin-Sinar Technologies Inc. and Subsidiaries
Condensed Consolidated Statements Of Stockholders' Equity and
Comprehensive Income (Unaudited)
Six months ended March 31, 2002 and 2001
(dollars in thousands)

<TABLE>

| | Common Stock Par Value | Additional Paid-in Capital | Retained Earnings | Accumulated Other Comprehensive Income(loss) | Total Stockholders' Equity |
|--|------------------------------|----------------------------------|----------------------|---|----------------------------------|
| <S> | <C> | <C> | <C> | <C> | <C> |
| BALANCES at September 30, 2001 | \$ 115 | \$ 76,123 | \$ 34,360 | \$(11,547) | \$ 99,051 |
| Comprehensive income: | | | | | |
| Foreign currency translation adjustment | -- | -- | -- | (2,901) | (2,901) |
| Change in fair value of cash flow hedges net of taxes | -- | -- | -- | 331 | 331 |
| Net income | -- | -- | 1,378 | -- | 1,378 |
| Total comprehensive income | | | | | (1,192) |
| Common stock issued | -- | 17 | -- | -- | 17 |
| BALANCES at March 31, 2002 | \$ 115 | \$ 76,140 | \$ 35,738 | \$(14,117) | \$ 97,876 |
| BALANCES at September 30, 2000 | \$ 115 | \$ 76,049 | \$ 27,145 | \$(12,590) | \$ 90,719 |
| Comprehensive income: | | | | | |
| Foreign currency translation adjustment | -- | -- | -- | (488) | (488) |
| Change in fair value of cash flow hedges net of taxes | -- | -- | -- | (1,119) | (1,119) |
| Net income | -- | -- | 6,124 | -- | 6,124 |
| Total comprehensive income | | | | | 4,517 |
| Common stock issued | -- | 11 | -- | -- | 11 |
| BALANCES at March 31, 2001 | \$ 115 | \$ 76,060 | \$ 33,269 | \$(14,197) | \$ 95,247 |

</TABLE>

See accompanying notes to condensed consolidated financial statements

Rofin-Sinar Technologies Inc. and Subsidiaries
Condensed Consolidated Statements of Cash Flows (Unaudited)
Six Months Ended March 31, 2002 and 2001
(dollars in thousands)

| | Six Months Ended March 31, | |
|---|-------------------------------|-----------|
| | 2002 | 2001 |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Net income | \$ 1,378 | \$ 6,124 |
| Adjustments to reconcile net income to net cash provided by operating activities: | | |
| Changes in operating assets and liabilities | 1,225 | (4,787) |
| Other adjustments | 3,776 | 4,190 |
| | 6,379 | 5,527 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Proceeds from the sale of property and equipment | 76 | 22 |
| Additions to property and equipment | (2,107) | (2,196) |
| Acquisition of business, net of cash acquired | -- | (2,565) |
| Cash proceeds from sale of medical laser business | 938 | -- |
| | (1,093) | (4,739) |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Borrowings from banks | 5,503 | 52,889 |
| Repayment to banks | (2,180) | (53,518) |
| Net repayments on line of credit | (6,699) | (1,995) |
| Other | 6 | (42) |
| | (3,370) | (2,666) |
| Effect of foreign currency translation on cash and cash equivalents | (481) | (411) |
| Net increase (decrease) in cash and cash equivalents | 1,435 | (2,289) |
| Cash and cash equivalents at beginning of period | 13,487 | 28,973 |
| Cash and cash equivalents at end of period | \$ 14,922 | \$ 26,684 |

See accompanying notes to condensed consolidated financial statements

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

1. Summary of Accounting Policies

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

2. Dispositions

On October 5, 2001, the Company sold the assets of its medical laser business resulting in a gain of \$0.7 million. As part of the proceeds from the sale, the Company received marketable equity securities which have been classified as trading securities, under "other current assets and prepaid expenses" in the accompanying balance sheet, as the Company intends to sell these securities in the near term. During the six months ended March 31, 2002, the Company recorded an unrealized gain of \$0.4 million related to such securities.

3. Inventories:

Inventories are stated at the lower of cost or market, after provisions for excess and obsolete inventory salable at prices below cost. Costs are determined using the first in, first out and weighted average cost methods and are summarized as follows:

| | March 31, 2002 | September 30, 2001 |
|----------------------------|-------------------|-----------------------|
| | ----- | ----- |
| Raw materials and supplies | \$ 18,816 | \$ 18,430 |
| Work in progress | 20,299 | 19,975 |
| Service parts | 13,993 | 14,986 |
| Finished goods | 9,570 | 7,612 |
| Demonstration inventory | 5,850 | 9,325 |
| | ----- | ----- |
| Total inventories, net | \$ 68,528 | \$ 70,328 |
| | ===== | ===== |

4. Net Income Per Common Share

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

| | Three Months Ended March 31, | | Six Months Ended March 31, | |
|---|---------------------------------|------------|-------------------------------|------------|
| | 2002 | 2001 | 2002 | 2001 |
| Weighted average number of shares for BASIC net income per common share | 11,550,300 | 11,542,700 | 11,550,300 | 11,542,700 |
| Potential additional shares due to outstanding dilutive stock options | 72,815 | 35,396 | 42,704 | 33,587 |
| Weighted average number of shares for DILUTED net income per common share | 11,623,115 | 11,578,096 | 11,593,004 | 11,576,287 |

Excluded from the calculation of diluted EPS for the three months ended March 31, 2002, and March 31, 2001, were 424,000 and 655,800 outstanding stock options, respectively. These could potentially dilute future EPS calculations but were not included in the current period because their effect was antidilutive.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS

Cautionary Note Regarding Forward-Looking Statements

Certain statements in this Quarterly Report on Form 10-Q constitute forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (the "Reform Act"). Forward-looking statements include all statements that do not relate solely to historical or current facts, and can be identified by the use of words such as "may", "believe", "will", "expect", "project", "anticipate", "estimate", "plan" or "continue". These forward looking statements are based on the current plans and expectations of our management and are subject to a number of uncertainties and risks that could significantly affect our current plans and expectations, as well as future results of operations and financial condition. In making these forward-looking statements, we claim the protection of the safe-harbor for forward-looking statements contained in the Reform Act. We do not assume any obligation to update these forward-looking statements to reflect actual results, changes in assumptions, or changes in other factors affecting such forward-looking statements.

Overview

Rofin-Sinar Technologies, Inc. (herein also referred to as "Rofin-Sinar", or the "Company" or "we", "us" or "our") is a leader in the design, development, engineering, manufacture and marketing of laser-based products used for cutting, welding and marking a wide range of materials.

During the second quarter of fiscal years 2002 and 2001, respectively, we realized approximately 58% and 44% of revenues from the sale and servicing of laser products for macro applications and approximately 42% and 56% from the sale and servicing of laser products for marking and micro-machining applications.

Management believes that the Company's macro business will continue at the current level in the months to come and is optimistic concerning the growth potential of our micro business. The Company's marking business will remain affected by the weak semiconductor and electronics market in the near-term.

Through our global manufacturing, distribution and service network, we are providing a comprehensive range of laser sources and laser based system solutions to three principal target markets: the machine tool, automotive and semiconductor/electronics industries. We sell our products directly to end-users, to original equipment manufacturers ("OEMs") (principally in the machine tool industry) that integrate Rofin-Sinar's laser sources with other system components, and to distributors. Many of our customers are among the largest global participants in their respective industries.

On February 28, 2001, the Company acquired 80% of the share capital of Z-Laser S.A. through its wholly owned subsidiary Rofin-Baasel Espana, S.A., Barcelona, Spain for \$3.3 million in cash. As of June 2001, Z-Laser S.A. was merged into Rofin-Baasel Espana S.L.. As a result of this merger, the minority shareholder owns 17% of the total stock of the new Spanish subsidiary.

On June 22, 2001, the shares of common stock of Rofin-Sinar Technologies, Inc. were admitted to the regulated market (Geregelter Markt) with trading on the Neuer Markt of the Frankfurt Stock Exchange in Germany. At March 31, 2002, Rofin had 1,167 employees compared to 1,111 employees at March 31, 2001.

Results of Operations

For the periods indicated, the following table sets forth the percentage of net sales represented by the respective line items in the Company's consolidated statements of operations.

| | Three Months Ended March 31, | | Six Months Ended March 31, | |
|---|---------------------------------|------|-------------------------------|------|
| | 2002 | 2001 | 2002 | 2001 |
| Net sales | 100% | 100% | 100% | 100% |
| Cost of goods sold | 62% | 60% | 63% | 61% |
| Gross profit | 38% | 40% | 37% | 39% |
| Selling, general and administrative expenses | 21% | 17% | 21% | 17% |
| Research and development expenses | 6% | 7% | 6% | 7% |
| Goodwill amortization | 2% | 2% | 2% | 2% |
| Income from operations | 9% | 14% | 8% | 13% |
| Income before income taxes | 6% | 11% | 5% | 11% |
| Net income | 2% | 5% | 1% | 5% |

Net Sales - Net sales of \$53.4 million and \$102.2 million represent decreases of \$4.8 million (8%) and \$9.9 million (9%) for the three months and six months ended March 31, 2002, as compared to the corresponding periods of fiscal 2001. The decrease resulted from a net sales decrease of \$18.8 million, or 20% in Europe/Asia and an increase of \$8.9 million, or 44%, in the United States, for the corresponding six month periods as compared to fiscal 2001. The U.S. dollar strengthened against foreign currencies, primarily against the Japanese Yen, which had an unfavorable effect on net sales of \$1.9 million and \$1.6 million for the three and six month periods ended March 31, 2002. Net sales of laser products for macro applications for the three-month period increased by 22% to \$31.0 million and for the six-month period net sales increased by 13% to \$57.4 million as compared to the corresponding periods of fiscal 2001. This increase is primarily due to the

higher demand from the automotive and machine tool industries. Net sales of lasers for marking and micro-machining applications for the three-month and six-month periods ended March 31, 2002 decreased by 32% to \$22.4 million and by 27% to \$44.8 million as compared to the corresponding periods in fiscal 2001. This decrease can be attributed primarily to the low demand from the semiconductor, electronic and smart card industries.

Gross Profit - Our gross profit of \$20.1 million and \$37.9 million for the three-months and six-months ended March 31, 2002, represent decreases of \$2.9 million (13%) and \$6.1 million (14%) from the corresponding periods of fiscal year 2001. As a percentage of sales over the corresponding six-month period of fiscal year 2001, gross profit decreased from 39% to 37%. The lower percentage margin was primarily a result of the unfavorable product mix, with lower service and spare parts sales and lower marking and micro-machining laser sales during the current quarter. In addition, gross profit was unfavorably affected by \$0.5 million and \$0.7 million for the three-month and six-month periods ended March 31, 2002 due to the strengthening of the U.S. dollar.

Selling, General and Administrative Expenses - Selling, general and administrative expenses of \$11.4 million and \$22.1 million increased \$1.1 million (11%) and \$2.3 million (12%) for the three-months and six-months ended March 31, 2002, compared to the corresponding periods of fiscal 2001 primarily as a result of investments in the sales force of the Rofin group; a full quarter of selling, general and administrative expenses of Z-Laser, which was acquired February 28, 2001; and costs related to the move of our Plymouth, Michigan operations to a new facility. SG&A, a significant portion of which is incurred in foreign currencies, was favorably affected by \$0.3 million and \$0.2 million for the three-month and six-month periods ended March 31, 2002 due to the strengthening of the U.S. dollar.

Research and Development - We spent net \$3.1 million and \$6.2 million on research and development during the three-month and six-month periods of the current fiscal year. This represents a decrease of 22% and 19%, for the three month and six-month periods, over the corresponding period of the prior year. Gross research and development expenses for the three month period ended March 31, 2002 and 2001 were \$3.4 million and \$4.3 million, respectively, and were reduced by \$0.3 million of government grants in both periods. Gross research and development expenses for the six month period ended March 31, 2002 and 2001 were \$6.7 million and \$8.3 million, respectively and were reduced by \$0.5 million and \$0.6 million of government grants in each respective period. R&D, a significant portion of which is conducted in Europe, and therefore incurred in foreign currencies, was favorably affected by \$0.2 million and \$0.1 million for the three-month and six-month periods in fiscal 2002, due to the strengthening of the U.S. dollar.

Goodwill amortization - We recorded \$0.9 million and \$1.8 million during the three-month and six-month periods of the current and previous fiscal years as goodwill amortization.

Other (Income) Expense - Net other (income) expense of \$1.5 million and \$2.7 million for the three-month and six-month periods ended March 31, 2002 represents a decrease in income of \$0.1 million and \$0.7 million compared to the corresponding prior year periods. The main cause of the change in the six-month periods was related to \$0.2 million higher interest expense and \$1.2 million exchange losses, offset by \$0.7 million income from the sale of the medical laser business.

Income Tax Expense - Income tax expense of \$2.1 million and \$3.8 million for the three-months and six-months ended March 31, 2002 represents effective tax rates of 66% and 73%, compared to the prior year corresponding effective tax rates of 52% and 52%. This change in effective tax rate is due primarily to lower taxable income and higher amounts of nondeductible goodwill amortization, minority interest, and losses in certain countries where tax benefits cannot be used as offsets.

Net Income - In light of the foregoing factors, we realized a consolidated net income of \$1.1 million and \$1.4 million for the three and six months ended March 31, 2002, which represents decreases of \$2.0 million and \$4.7 million from the corresponding prior year periods. For the three-months ended March 31, 2002, both basic and diluted earnings per share equaled \$0.10 based upon 11.6 million common shares outstanding, as compared to basic and diluted earnings per share of \$0.27 for the same period in fiscal 2001, based on 11.5 million and 11.6 million common shares outstanding.

Liquidity and Capital Resources

The Company's primary sources of liquidity at March 31, 2002 were cash and cash equivalents of \$14.9 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 \$25.0 million (translated at the applicable exchange rate at March 31, 2002). At March 31, 2002, borrowings of \$12.7 million were outstanding under the Deutsche Bank facility and \$8.7 million under other lines of credit. Therefore \$28.6 million is unused and available under our lines of credit.

Additionally, the Company maintains a credit facility with a German bank, which was used to finance part of the acquisition, and to refinance the existing debt, of Baasel Lasertech. At March 31, 2002, \$36.5 million was outstanding under this credit facility.

Cash and cash equivalents increased by \$1.4 million during the six-months ended March 31, 2002. Approximately \$6.4 million in cash and cash equivalents were provided by operating activities, primarily as the result of net income before depreciation and amortization and a decrease in trade receivables.

Uses of cash from investing activities totaled \$1.1 million for the six-months ended March 31, 2002 and related primarily to the acquisition of various additions to property and equipment related to expansion of the Company's operations (\$2.1 million) offset by the cash proceeds of the sale of the medical laser business (\$0.9 million).

Net cash used in financing activities totaled \$3.4 million and was primarily related to current period repayments of bank debt.

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

Currency Exchange Rate Fluctuations

Although we report our consolidated financial statements in U.S. dollars, approximately 75% of our sales are denominated in other currencies, primarily the Euro, as well as British pounds, Singapore dollars, and Japanese yen. Net sales and costs and related assets and liabilities are generally denominated in the functional currencies of the operations, thereby serving to reduce our exposure to exchange gains and losses.

Exchange differences upon translation from each operation's functional currency to U.S. dollars are accumulated as a separate component of equity. The currency translation adjustment component of stockholders' equity had the effect of decreasing total equity by \$13.5 million at March 31, 2002 as compared to \$10.6 million at September 30, 2001.

The fluctuation of the Euro and the other relevant functional currencies against the U.S. dollar has had the effect of increasing and decreasing (as applicable) reported net sales as well as cost of goods sold and gross margin and selling, general and administrative expenses, denominated in such foreign currencies when translated into U.S. dollars as compared to prior periods.

Critical Accounting Policies

The Company believes the following represent its critical accounting policies:

Allowance for Doubtful Accounts

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

Inventory Valuation

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

Warranty Reserves

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

Recently Issued Accounting Standards

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

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

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

Ownership of Common Stock By Directors

The following table sets forth information as of March 31, 2002, with respect to beneficial ownership of the Company's Common Stock and exercisable options by each director.

| Name | Number of Shares of Common Stock Beneficially Owned | Total Number of Stock Options Owned at March 31, 2002 | Number of Exercisable Stock Options Owned at March 31, 2002 |
|-----------------------|---|---|---|
| Peter Wirth | 3,300 | 202,000 | 108,000 |
| Gunther Braun | 6,000 | 136,000 | 66,000 |
| Carl F. Baasel | 42,000 | 25,000 | 2,000 |
| William R. Hoover (1) | 37,500 | -- | -- |
| Ralph E. Reins (1) | 14,000 | -- | -- |
| Gary K. Willis (1) | 12,500 | -- | -- |

(1) Outside, non-executive directors

Item 3. Quantitative and Qualitative Disclosures about Market Risk

For the period ended March 31, 2002, we did not experience any material change in market risk exposures affecting the quantitative and qualitative disclosures as presented in our Annual Report on Form 10-K for the year ended September 30, 2001.

PART II. OTHER INFORMATION

Item 1. Legal Proceedings

For the period ended March 31, 2002, we did not experience any material developments in the legal proceedings as presented under the heading "Intellectual Property" in our Annual Report on Form 10-K for the year ended September 30, 2001.

Item 2. Changes in Securities

None.

Item 3. Defaults Upon Senior Securities

None.

Item 4. Submission of Matters to a Vote of Security Holders

None.

Item 5. Other Information

None.

Item 6. Exhibits and Reports on Form 8-K

(a) Reports on Form 8-K

The Registrant did not file any Current Reports on Form 8-K during the quarter ended March 31, 2002.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Rofin-Sinar Technologies Inc.

(Registrant)

Date: May 13, 2002

/S/ Gunther Braun

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