FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Quarterly Report Pursuant to Section 13 or 15(d) of the Securities Exchange Act of 1934

For the quarter ended: October 1, 2005 Commission File Number: 1-10730

HAEMONETICS CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts	**04-2882273**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)

400 Wood Road, Braintree, MA 02184
(Address of principal executive offices)

Registrant's telephone number, including area code: **(781) 848-7100**

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) (2.) has been subject to the filing requirements for at least the past 90 days.

Yes ☒ No o

Indicate by check mark whether the registrant is an accelerated filer (as defined in Rule 12b-2 of the Exchange Act.)

Yes ☒ No o

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act.)

Yes o No ☒

The number of shares of $.01 par value common stock outstanding as of October 1, 2005:
26,474,612

HAEMONETICS CORPORATION
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PART I. FINANCIAL INFORMATION

[Signatures](#)

ITEM 1. FINANCIAL STATEMENTS

HAEMONETICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED INCOME STATEMENTS

(Unaudited in thousands, except per share data)

	Three months ended		Six months ended	
	October 1, 2005	October 2, 2004	October 1, 2005	October 2, 2004
Net revenues	$ 100,488	$ 90,923	$ 203,661	$ 185,525
Cost of goods sold	48,723	45,374	97,372	92,876
Gross profit	51,765	45,549	106,289	92,649
Operating expenses:				
Research and development	6,283	4,253	11,824	8,307
Selling, general and administrative	30,103	27,385	60,591	55,469
Total operating expenses	36,386	31,638	72,415	63,776
Operating income	15,379	13,911	33,874	28,873
Interest expense	(522)	(636)	(1,063)	(1,297)
Interest income	1,083	502	2,396	865
Other income (expense), net	481	(69)	1,345	(301)
Income before provision for income taxes	16,421	13,708	36,552	28,140
Provision for income taxes	5,476	4,834	12,723	9,446
Net income	$ 10,945	$ 8,874	$ 23,829	$ 18,694
Basic income per common share	$ 0.42	$ 0.35	$ 0.91	$ 0.74
Income per common share assuming dilution	$ 0.40	$ 0.34	$ 0.87	$ 0.73
Weighted average shares outstanding				
Basic	26,395	25,258	26,338	25,207
Diluted	27,354	25,784	27,279	25,681

The accompanying notes are an integral part of these consolidated financial statements

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(Unaudited in thousands,)

	October 1, 2005	April 2, 2005
ASSETS		
Current assets:		
Cash and cash equivalents	$ 209,981	$ 185,815
Accounts receivable, less allowance of $1,426 as of October 1, 2005 and $2,074 as of April 2, 2005	83,409	80,719
Inventories	57,581	53,088
Deferred tax asset, net	11,084	13,785
Prepaid expenses and other current assets	17,005	10,204
Total current assets	379,060	343,611
Total property, plant and equipment	272,908	272,618
Less: accumulated depreciation	205,833	203,281
Net property, plant and equipment	67,075	69,337
Other assets:		
Other intangibles, less amortization of $10,386 as of October 1, 2005 and $9,327 as of April 2, 2005	24,864	25,827
Goodwill, net	18,730	18,193
Deferred tax asset, long term	207	102
Other long-term assets	9,287	10,687
Total other assets	53,088	54,809
Total assets	$ 499,223	$ 467,757
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		

Notes payable and current maturities of long-term debt	$ 27,643	$ 26,612
Accounts payable	13,252	11,111
Accrued payroll and related costs	14,417	15,998
Accrued income taxes	9,509	12,417
Other accrued liabilities	23,078	21,784
Total current liabilities	87,899	87,922
Long-term debt, net of current maturities	18,967	19,231
Other long-term liabilities	5,107	5,469
Commitments and contingencies (Note 13)		
Stockholders' equity:		
Common stock, $0.01 par value; Authorized - 80,000,000 shares; Issued and outstanding – 26,474,612 shares as of October 1, 2005 and 26,177,468 shares as of April 2, 2005	265	262
Additional paid-in capital	130,723	121,803
Retained earnings	257,598	233,769
Accumulated other comprehensive loss	(1,336)	(699)
Total stockholders' equity	387,250	355,135
Total liabilities and stockholders' equity	$ 499,223	$ 467,757

The accompanying notes are an integral part of these consolidated financial statements.

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(Unaudited in thousands)

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Comprehensive Income
	Shares	Amount					
Balance, April 2, 2005	26,177	$ 262	$ 121,803	$ 233,769	$ (699)	$ 355,135	
Employee stock purchase plan	25	—	680	—	—	680	
Exercise of stock options and related tax benefit	273	3	8,240			8,243	
Net income	—	—	—	23,829	—	23,829	$ 23,829
Net change in minimum pension liability	—	—	—	—	(52)	(52)	(52)
Foreign currency translation adjustment	—	—	—	—	(4,894)	(4,894)	(4,894)
Unrealized gain on cash flow hedges	—	—	—	—	4,309	4,309	4,309
Comprehensive income	—	—	—	—	—	—	$ 23,192
Balance, October 1, 2005	26,475	$ 265	$ 130,723	$ 257,598	$ (1,336)	$ 387,250	

The accompanying notes are an integral part of these consolidated financial statements.

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited in thousands)

	Six Months Ended	
	October 1, 2005	October 2, 2004
Cash Flows from Operating Activities:		
Net income	$ 23,829	$ 18,694
Adjustments to reconcile net income to net cash provided by operating activities:		
Non cash items:		
Depreciation and amortization	12,285	14,328
Deferred tax expense	21	1,920
Gain on sales of plant, property and equipment	(1,220)	(2,905)
Tax benefit related to exercise of stock options	1,142	421
Unrealized loss from hedging activities	1,319	521
Change in operating assets and liabilities:		
Increase in accounts receivable, net	(6,062)	(1,993)
Increase in inventories	(7,687)	(2,768)
Decrease (increase) in prepaid income taxes	219	(1,315)

Decrease in other assets and other long-term liabilities	(870)	(1,033)
(Decrease) increase in accounts payable and accrued expenses	(348)	1,514
Net cash provided by operating activities	22,628	27,384
Cash Flows from Investing Activities:		
Purchases of short-term investments	—	(38,650)
Gross proceeds from sale of short-term investments	—	13,550
Capital expenditures on property, plant and equipment	(10,531)	(7,177)
Proceeds from sale of property, plant and equipment	2,918	5,505
Acquisition of patents	—	(4,019)
Net cash used in investing activities	(7,613)	(30,791)
Cash Flows from Financing Activities:		
Payments on long-term real estate mortgage	(243)	(224)
Net increase (decrease) in short-term revolving credit agreements	2,025	(2,975)
Employee stock purchase plan	680	395
Exercise of stock options	7,101	6,796
Grant monies received	318	—
Net cash provided by financing activities	9,881	3,992
Effect of Exchange Rates on Cash and Cash Equivalents	(730)	27
Net Increase in Cash and Cash Equivalents	24,166	612
Cash and Cash Equivalents at Beginning of Year	185,815	79,467
Cash and Cash Equivalents at End of Period	$ 209,981	$ 80,079
Non-cash Investing and Financing Activities:		
Transfers from inventory to fixed assets for placements of Haemonetics equipment	$ 1,736	$ 3,482
Supplemental Disclosures of Cash Flow Information:		
Interest paid	$ 960	$ 1,179
Income taxes paid	$ 13,536	$ 8,848

The accompanying notes are an integral part of these consolidated financial statements

HAEMONETICS CORPORATION AND SUBSIDIARES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

Our accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of our management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. All significant intercompany transactions have been eliminated. Operating results for the three or six month periods ended October 1, 2005 are not necessarily indicative of the results that may be expected for the full fiscal year ending Ap ril 1, 2006. For further information, refer to the audited consolidated financial statements and footnotes included in our annual report on Form 10-K for the fiscal year ended April 2, 2005.

Certain amounts in the prior year financial statements have been reclassified to conform to the fiscal year 2006 presentation as previously disclosed in our fiscal year 2005 Annual Report on Form 10-K .

Our fiscal year ends on the Saturday closest to the last day of March. Fiscal year 2006 and 2005 include 52 weeks with all four quarters including 13 weeks.

2. RECENT ACCOUNTING PRONOUCEMENTS

In May 2005, the Financial Accounting Standards Board ("FASB") issued FASB Statement No. 154, "Accounting Changes and Error Corrections", ("SFAS No. 154") to replace Accounting Principles Board ("APB") Opinion No. 20, "Accounting Changes" and SFAS Statement No. 3, "Reporting Accounting Changes in Interim Financial Statements." SFAS No. 154 applies to the reporting of voluntary changes in accounting principles. APB Opinion No. 20 required that most voluntary changes in accounting principle be recognized by including the cumulative effect of the change in the current period in which the change is made. SFAS No. 154 requires that the effect of the change be reported retrospectively to prior periods unless it is 1) impracticable to determine the period by period effect of the change and/or 2) the cumulative effect of the change. When it is impracticable to determine the period by period effect of the change, the Statement requires that the effect of the change be applied to the balances of assets and liabilities in the earliest period for which retrospective application is practical and the offset be made to retained earnings or other appropriate equity account. In the case where it is impracticable to determine the cumulative effect of applying a change, the Statement requires that the new accounting principle be applied prospectively from the earliest practicable date. This statement is effective for our fiscal year 2007.

On December 16, 2004, the FASB issued FASB Statement No. 123 (revised 2004), "Shared-Based payments", ("SFAS No. 123R") which is a revision of FASB Statement No. 123, ("SFAS No. 123") Accounting for Stock Based Compensation. SFAS No. 123R supersedes Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." SFAS No.123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statements based on their fair values. The disclosure only approach permitted by SFAS No. 123 and elected by us, is no longer an alternative effective for our fiscal year 2007 beginning on April 2, 2006. Accordingly, the adoption of SFAS No. 123R's fair value method will have a significant impact on the results of operations, although it will have no material impact on our overall financial position. The impact of adoption of SFAS No. 123R cannot be predicted at this time because it will depend on levels of share-based payments granted in the future as well as other factors. We are currently evaluating which fair value method and which transition method we will use to adopt the requirements of SFAS No. 123R.

The FASB recently issued, FASB Statement SFAS No. 151, "Inventory Costs," ("SFAS No. 151") an amendment of Accounting Research Bulletin ("ARB") No. 43, Chapter 4. The amendment clarifies that abnormal amounts of idle facility expense, freight, handling costs, and wasted materials should be recognized as current-period charges. It also clarifies that the required allocation of fixed production overheads to inventory are based on the normal capacity of the production facilities. We adopted SFAS No. 151 on April 3, 2005 at the beginning of our fiscal year 2006. The clarification provided by SFAS No. 151 is consistent with our current accounting policy, and accordingly there was no impact from the adoption of this statement.

3. SHORT TERM INVESTMENTS

We held no short term investments during the second quarter ended October 1, 2005. As of October 2, 2004, all our short term investments, consisted of auction rate debt securities and were categorized as available for sale under the provisions of SFAS Statement No. 115, "Accounting for Certain Investments in Debt and Equity Securities." Our investments in these securities were recorded at cost, which approximated fair value due to their variable interest rates, which typically reset every 28 to 35 days. Despite the long-term nature of the stated contractual maturities of these investments, we had the ability to liquidate these securities prior to their stated maturity date. As a result of the resetting variable rates, we had no cumulative gross unrealized or realized holding gains or losses from these investments during the first or second quarters of fiscal year 2005. All income generated from these investments was recorded as interest income. Proceeds from the sale of these short term investments, as reported on our consolidated statements of cash flows, totaled approximately $13.6 million during the first six months of fiscal year 2005. Upon the sale of these investments, the cost was calculated based upon the specific identification method.

4. EARNINGS PER SHARE ("EPS")

The following table provides a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations, as required by Statement of Financial Accounting Standards ("SFAS") Statement No. 128, "Earnings Per Share." Basic EPS is computed by dividing net income by weighted average shares outstanding. Diluted EPS includes the effect of potential dilutive common shares.

	For the three months ended	
	October 1, 2005	October 2, 2004
	(in thousands, except per share amounts)	
Basic EPS		
Net income	$ 10,945	$ 8,874
Weighted average shares	26,395	25,258
Basic earnings per share	$ 0.42	$ 0.35
Diluted EPS		
Net income	$ 10,945	$ 8,874
Basic weighted average shares	26,395	25,258
Effect of stock options	959	526
Diluted weighted average shares	27,354	25,784
Diluted earnings per share	$ 0.40	$ 0.34

	For the six months ended	
	October 1, 2005	October 2, 2004
	(in thousands, except per share amounts)	
Basic EPS		
Net income	$ 23,829	$ 18,694
Weighted average shares	26,338	25,207
Basic earnings per share	$ 0.91	$ 0.74
Diluted EPS		
Net income	$ 23,829	$ 18,694
Basic weighted average shares	26,338	25,207
Effect of stock options	941	474
Diluted weighted average shares	27,279	25,681
Diluted earnings per share	$ 0.87	$ 0.73

5. STOCK-BASED COMPENSATION

We adopted the disclosure only provisions for employee stock-based compensation under SFAS Statement No. 148, "*Accounting for Stock-Based Compensation – Transition and Disclosure*," and continue to account for employee stock-based compensation using the intrinsic value method under Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees".

At the date of grant, the exercise price of our employee stock options equals the market price of the underlying stock. Therefore, under the intrinsic value method no accounting recognition is given to options granted to employees and directors until the options are exercised. Upon exercise, net proceeds, including tax benefits realized, are credited to equity. Had compensation costs under our stock-based compensation plans been determined based on the fair value model of SFAS Statement No. 123 "*Accounting for Stock-Based Compensation*," as amended by SFAS Statement No. 148, the effect on our earnings per share would have been as follows:

	For the three months ended October 1, 2005	For the three months ended October 2, 2004
	(in thousands, except per share amounts)	
Net income (as reported):	$ 10,945	$ 8,874
Deduct: Total stock-based compensation expense determined under the fair value method for all awards, net of tax	(2,127)	(1,639)
Pro Forma Net Income:	$ 8,818	$ 7,235
Earnings per share:		
Basic		
As reported	$ 0.42	$ 0.35
Pro forma	$ 0.33	$ 0.29
Diluted		
As Reported	$ 0.40	$ 0.34
Pro forma	$ 0.32	$ 0.28

	For the six months ended October 1, 2005	For the six months ended October 2, 2004
	(in thousands, except per share amounts)	
Net income (as reported):	$ 23,829	$ 18,694
Deduct: Total stock-based compensation expense determined under the fair value method for all awards, net of tax	(3,182)	(3,138)
Pro Forma Net Income:	$ 20,647	$ 15,556
Earnings per share:		
Basic		
As reported	$ 0.91	$ 0.74
Pro forma	$ 0.78	$ 0.62
Diluted		
As Reported	$ 0.87	$ 0.73
Pro forma	$ 0.76	$ 0.60

6. ACCOUNTING FOR SHIPPING AND HANDLING COSTS

Shipping and handling costs are included in costs of goods sold with the exception of $1.3 million and $1.2 million for the three month periods ended October 1, 2005 and October 2, 2004, respectively, and $2.6 million and $2.5 million for the six month periods ended October 1, 2005 and October 2, 2004, respectively that are included in selling, general and administrative expenses. Freight is classified in costs of goods sold when the customer is charged for freight and in selling, general and administration when the customer is not explicitly charged for freight.

7. FOREIGN CURRENCY

We enter into forward exchange contracts to hedge the anticipated cash flows from forecasted foreign currency denominated revenues, principally Japanese Yen and Euro. The purpose of our hedging strategy is to lock in foreign exchange rates for twelve months to minimize, for this period of time, the unforeseen impact on our results of operations of fluctuations in foreign exchange rates. We also enter into forward contracts that settle within 35 days to hedge certain inter-company receivables denominated in foreign currencies. These derivative financial instruments are not used for trading purposes. The cash flows related to the gains and losses on these foreign currency hedges are classified in the consolidated statements of cash flows as part of cash flows from operating activities.

8. PRODUCT WARRANTIES

We provide a warranty on parts and labor for one year after the sale and installation of each device. We also warrant our disposable products through their use or expiration. We estimate our potential warranty expense based on our historical warranty experience, and we periodically assess the adequacy of our warranty accrual and make adjustments as necessary.

	For the three months ended	
	October 1, 2005	October 2, 2004
	(in thousands)	
Warranty accrual as of the beginning of the period	$ 699	$ 751
Warranty Provision	536	344
Warranty Spending	(536)	(344)
Warranty accrual as of the end of the period	$ 699	$ 751

	For the six months ended	
	October 1, 2005	October 2, 2004
	(in thousands)	
Warranty accrual as of the beginning of the period	$ 703	$ 677
Warranty Provision	1,039	1,093
Warranty Spending	(1,043)	(1,019)
Warranty accrual as of the end of the period	$ 699	$ 751

9. COMPREHENSIVE INCOME

Comprehensive income is the total of net income and all other non-owner changes in stockholders' equity. For us, all other non-owner changes are primarily foreign currency translation, the change in our net minimum pension liability and the changes in fair value of the effective portion of our outstanding cash flow hedge contracts.

A summary of the components of other comprehensive income is as follows:

	For the three months ended	
	October 1, 2005	October 2, 2004
	(in thousands)	
Net income	$ 10,945	$ 8,874
Other comprehensive income:		
Foreign currency translation	(1,134)	159
Unrealized gain on cash flow hedges, net of tax	1,220	364
Reclassifications into earnings of cash flow hedge (gains) losses, net of tax	(271)	1,269
Total comprehensive income	$ 10,760	$ 10,666

	For the six months ended	
	October 1, 2005	October 2, 2004
	(in thousands)	
Net income	$ 23,829	$ 18,694
Other comprehensive income:		
Foreign currency translation	(4,894)	(1,103)
Unrealized gain on cash flow hedges, net of tax	3,755	2,364
Reclassifications into earnings of cash flow hedge losses, net of tax	554	2,350
Minimum pension liabilities adjustment, net of tax	(52)	—
Total comprehensive income	$ 23,192	$ 22,305

10. INVENTORIES

Inventories are stated at the lower of cost or market and include the cost of material, labor and manufacturing overhead. Cost is determined on the first-in, first-out method.

Inventories consist of the following:

October 1, 2005	April 2, 2005

		(in thousands)	
Raw materials	$	16,198	$ 12,388
Work-in-process		5,971	6,067
Finished goods		35,412	34,633
	$	57,581	$ 53,088

11. GOODWILL AND OTHER INTANGIBLE ASSETS

The change in the carrying amount of our goodwill during the six months ended October 1, 2005 is as follows (in thousands):

Carrying amount as of April 2, 2005	$	18,193
Fifth Dimension earn-out payment		1,020(a)
Effect of change in rates used for translation		(483)
Carrying amount as of October 1, 2005	$	18,730

(a) The acquisition of Fifth Dimension, which occurred on January 1, 2002, involved the potential for earn-out payments of up to $4.1 million based on Fifth Dimension reaching certain performance milestones prior to fiscal 2008. The payment accrued this quarter was the third milestone payment. The first two milestone payments, also in the amount of $1.0 million, were paid in fiscal year 2005 and 2004, respectively.

Other Intangible Assets

As of October 1, 2005
(in thousands)

Amortized Intangibles		Gross Carrying Amount		Accumulated Amortization	Weighted Average useful Life (in years)
Patents	$	10,389	$	2,759	13
Other technology		12,361		4,223	15
Customer contracts and related relationships		11,997		3,404	15
Subtotal	$	34,747	$	10,386	14
Indefinite Life Intangibles					
Trade name		503		—	Indefinite
Total Intangibles	$	35,250	$	10,386	

As of April 2, 2005
(in thousands)

		Gross Carrying Amount		Accumulated Amortization (in thousands)	Weighted Average Useful Life (in years)
Amortized Intangibles					
Patents	$	10,389	$	2,321	14
Other technology		12,358		4,020	15
Customer contracts and related relationships		11,909		2,986	15
Subtotal		34,656		9,327	15
Indefinite Life Intangibles					
Trade name		498		—	Indefinite
Total Intangibles	$	35,154	$	9,327	

Changes to the net carrying value of our intangible assets from April 2, 2005 to October 1, 2005 include amortization expense and the effect of exchange rate changes in the translation of our intangible assets held by our international subsidiaries.

Amortization expense for amortized other intangible assets was $0.5 million for both the three months ended October 1, 2005 and October 2, 2004 and $1.0 million for both the six months ended October 1, 2005 and October 2, 2004. Annual amortization expense is expected to approximate $2.1 million for fiscal 2006, $2.5 million for fiscal years 2007 and 2008 and $2.4 million for fiscal years 2009 through 2011.

12. INCOME TAXES

The income tax provision as a percentage of pretax income was 34.8% and 33.6% for the six months ended October 1, 2005 and October 2, 2004, respectively. For the six months ended October 1, 2005, the income tax provision, as a percentage of pretax income, was 35.8% before the $0.3 million net reversal in the current quarter of previously established tax reserves primarily related to a favorable determination of a tax deduction. These adjustments reduced the tax rate for the six months to 34.8%. For the six months ended October 2, 2004, the income tax provision, as a percentage of pretax income, was 36% before the $0.6 million first quarter reversal of previously established tax reserves related to a local Japanese tax matter and a second quarter $0.1 million release of reserve in the U.S.

13. COMMITMENTS AND CONTINGENCIES

We are presently engaged in various legal actions, and although ultimate liability cannot be determined at the present time, we believe, based on consultation with counsel, that any such liability will not materially affect our consolidated financial position or our results of operations.

On January 21, 2004 we filed a claim for binding arbitration against Baxter International, Inc. ("Baxter"), seeking an arbitration award to compel Baxter to honor its obligations to Haemonetics in the contracts it assumed, or to pay us damages. Provisions in our supply contracts signed with Alpha Therapeutics Corporation ("Alpha") include protections in case of a change in ownership. In particular the contracts required that if Alpha were sold, the buyer must assume the obligations of the contracts. The arbitration panel issued its decision on May 20, 2005 and awarded the Company $27.8 million in damages plus interest, and legal fees and costs to be determined. See the Subsequent Event Footnote No. 16 for further details.

14. DEFINED BENEFIT PENSION PLANS

Two of our subsidiaries have defined benefit pension plans covering substantially all full time employees at those subsidiaries. Net periodic benefit costs for the plans in the aggregate include the following components:

(in thousands):	For the three months ended October 1, 2005	October 2, 2004
Service Cost	$ 157	$ 141
Interest cost on benefit obligation	44	38
Expected return on plan assets	(16)	(35)
Amortization of unrecognized prior service cost, unrecognized gain and unrecognized initial obligation	6	29
Net periodic benefit cost	$ 191	$ 173

(in thousands):	For the six months ended October 1, 2005	October 2, 2004
Service Cost	$ 321	$ 283
Interest cost on benefit obligation	91	76
Expected return on plan assets	(33)	(70)
Amortization of unrecognized prior service cost, unrecognized gain and unrecognized initial obligation	13	57
Net periodic benefit cost	$ 392	$ 346

15. SEGMENT INFORMATION

Segment Definition Criteria

We manage our business on the basis of one operating segment: the design, manufacture and marketing of automated blood processing systems. Our chief operating decision-maker uses consolidated results to make operating and strategic decisions. Manufacturing processes, as well as the regulatory environment in which we operate, are largely the same for all product lines.

Product and Service Segmentation

We have two families of products: (1) those that serve the donor and (2) those that serve the patient. Under the donor family of products we have included blood bank, red cell and plasma collection products. The patient products are the surgical collection products.

Donor – Disposables and Equipment

Plasma collection products are machines, disposables and solutions that perform "apheresis" (the separation of whole blood into its components and subsequent collection of certain components, including platelets and plasma),for the separation of whole blood components and subsequent collection of plasma. The principal device used in automated plasma collection is the PCS®2 plasma collection system.

The blood bank products include machines, single use disposables and intravenous solutions that perform "apheresis," as well as the washing of red blood cells for certain procedures, referred to as "cell processing". In addition, the blood bank product line includes solutions used in non-apheresis applications. The main devices used in these blood component therapies are the collection system MCS®+ mobile and the ACP® 215 automated cell processing system.

Red cell products include machines, single use disposables and intravenous solutions that perform apheresis to collect red blood cells. The device used to collect red blood cells is the MCS®+ 8150 system.

Patient – Disposables and Equipment

Surgical products include machines and single use disposables that perform surgical blood salvage in orthopedic and cardiovascular surgical applications. Surgical blood salvage is a procedure whereby shed blood is collected, cleansed and made available to be transfused back to the patient. The devices used in the surgical area are the OrthoPAT® and the Cell Saver® autologous blood recovery systems.

Miscellaneous and Service

Miscellaneous and Service revenue includes revenue generated from equipment repairs performed under preventative maintenance contracts or emergency service billings and miscellaneous sales, including revenue from our software division, 5D Information Management (“5D”), previously known as Fifth Dimension.

Revenues from External Customers:

	Three months ended (in thousands)	
	October 1, 2005	October 2, 2004
Disposable Revenues by Product Family		
Donor:		
Plasma	$ 25,938	$ 24,238
Blood Bank	32,193	33,338
Red Cell	8,903	6,653
	$ 67,034	$ 64,229
Patient:		
Surgical	$ 19,930	$ 20,045
Disposables revenue	$ 86,964	$ 84,274
Equipment	6,623	2,580
Misc & Service	6,901	4,069
Total revenues from external customers	$ 100,488	$ 90,923

	Six months ended (in thousands)	
	October 1, 2005	October 2, 2004
Disposable Revenues by Product Family		
Donor:		
Plasma	$ 53,241	$ 49,724
Blood Bank	64,883	64,107
Red Cell	17,358	13,114
	$ 135,482	$ 126,945
Patient:		
Surgical	$ 42,615	$ 40,818
Disposables revenue	$ 178,097	$ 167,763
Equipment	12,734	9,253
Misc & Service	12,830	8,509
Total revenues from external customers	$ 203,661	$ 185,525

16. SUBSEQUENT EVENT

On October 6, 2005 the independent arbitration panel entered their final award in our claim for binding arbitration against Baxter. On October 13, 2005 we received $30.8 million from Baxter in full satisfaction of this award including damages, reimbursement of attorneys’ fees and costs, and statutory interest since the time of the arbitration panel’s initial award on May 20, 2005.

This award will be recorded in our third quarter financial statements. Certain of the award proceeds relate to the repayment of a lease receivable, with a carrying amount of $0.7 million, and the retirement of an intangible asset, with a carrying amount of $2.0 million, related to a supply contract that has been fully satisfied with this award. After satisfaction of these assets the award will increase pre-tax income by $28.1 million, including a reduction in selling, general and administration expenses of $0.4 million for attorneys’ fees incurred during the current year, $1.3 million of interest income, and $26.3 million of other income.

ITEM 2. MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with both our interim consolidated financial statements and notes thereto which appear elsewhere in this Quarterly Report on Form 10-Q and the MD&A contained in our fiscal year 2005 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on June 9, 2005. The following discussion may contain forward-looking statements and should be read in conjunction with the "**Cautionary Statement Regarding Forward-Looking Information**" beginning on page 35.

Our Business

We design, manufacture and market automated systems for the collection, processing and surgical salvage of donor and patient blood, including the single-use disposables used with our systems and related data management software. Our systems allow users to collect and process only the blood component(s) they target, plasma, platelets, or red blood cells, increasing donor and patient safety as well as collection efficiencies. Our systems consist of proprietary disposable sets that operate on our specialized equipment. Our data management systems are used by blood collectors to improve the safety and efficiency of blood collection logistics by eliminating previously manual functions at commercial plasma and not-for-profit blood banks.

We either sell our devices to customers (resulting in equipment revenue) or place our devices with customers subject to certain conditions. When the device remains our property, the customer has the right to use it for a period of time as long as the customer meets certain conditions we have established, which among other things, generally include one or more of the following:

- Purchase and consumption of a minimum level of disposable products
- Payment of monthly rental fees
- An asset utilization performance metric, such as performing a minimum level of procedures per month per device.

Our disposable revenue stream (including sales of disposables and fees for the use of our equipment) accounted for approximately 86.5% and 92.7% of our total revenues for the second quarter of fiscal year 2006 and 2005, respectively and 87.4% and 90.4% of our total revenues for the first six months of fiscal year 2006 and 2005 respectively.

Financial Summary

(in thousands, except per share data)

	For the three months ended			For the six months ended		
	October 1, 2005	October 2, 2004	% Increase/ Q2FY06 vs. Q2FY05	October 1, 2005	October 2, 2004	% Increase/ Q2FY06 vs. Q2FY05
Net revenues	$ 100,488	$ 90,923	**10.5%**	$ 203,661	$ 185,525	**9.8%**
Gross Profit	51,765	45,549	**13.6**	106,289	92,649	**14.7**
% of net revenues	*51.5%*	*50.1%*		*52.2%*	*49.9%*	
Operating income	15,379	13,911	**10.6**	33,874	28,873	**17.3**
% of net revenues	*15.3%*	*15.3%*		*16.6%*	*15.6%*	
Provision for income tax	5,476	4,834	**13.3**	12,723	9,446	**34.7**
% of net revenues	*5.4%*	*5.3%*		*6.2%*	*5.1%*	
Net income	$ 10,945	$ 8,874	**23.3**	$ 23,829	$ 18,694	**27.5**
% of net revenues	*10.9%*	*9.8%*		*11.7%*	*10.1%*	
Earnings per share-diluted	$ 0.40	$ 0.34	**17.6**	$ 0.87	$ 0.73	**19.2**

Net revenues increased 10.5% and 9.8%, respectively for the second quarter and the first six months of fiscal year 2006 over the comparable periods of fiscal year 2005. The favorable effects of foreign exchange accounted for 2.6% and 2.7% of the quarter and six month increases, respectively. The remaining increase of 7.9% for the quarter and 7.1% for the first six months resulted from increases in our disposable, software and equipment revenues. The increase in disposable revenue for both the quarter and the first six months resulted primarily from disposable unit increases in our plasma and red cell product lines.

Gross profit increased 13.6% and 14.7%, respectively for the second quarter and the first six months of fiscal year 2006 over the comparable periods of fiscal year 2005. The favorable effects of foreign exchange accounted for 5.5% of the increases for both the quarter and the first six months. The remaining increases of 8.1% and 9.2% for the quarter and six month period were due primarily to increased sales and cost reductions.

Operating income increased 10.6% and 17.3% respectively for the second quarter and the first six months of fiscal year 2006 over the comparable periods of fiscal year 2005. The favorable effects of foreign exchange accounted for increases of 18.4% and 15.8% for the quarter and six months,

respectively. Without the favorable effects of foreign currency, operating income decreased 7.8% for the quarter and increased 1.5% for the six months due primarily due to increases in gross profit that were more than offset in the quarter and largely offset for the six months by increases in new product research and development work, expansion of sales and marketing staff to support business growth, and legal and compliance costs.

Net income increased 23.3% and 27.5%, respectively, for the second quarter and the first six months of fiscal year 2006 over the comparable periods of fiscal year 2005. The favorable effects of foreign exchange accounted for 19.0% and 16.8% of the quarter and six month increases, respectively. The remaining increase of 4.3% for the quarter was due primarily to the decrease in operating income that was more than offset by the increase in other income, net, partly offset by an increase in tax expense due to higher pre-tax income and a lower tax rate. The remaining increase of 10.7% for the six month period was due to both the increase in operating income and an increase in other income, net, partly offset by an increase in tax expense due to higher pre-tax income and a higher tax rate.

RESULTS OF OPERATIONS

Net Revenues
By Geography

(in thousands)

	For the three months ended			For the six months ended		
	October 1, 2005	**October 2, 2004**	**% Increase/ Q2FY06 vs. Q2FY05**	**October 1, 2005**	**October 2, 2004**	**% Increase/ YTDFY06 vs. YTDFY05**
United Sates	$ 37,930	$ 30,403	**24.8%**	$ 76,153	$ 63,310	**20.3%**
International	62,558	60,520	**3.4**	127,508	122,215	**4.3**
Net revenues	$ 100,488	$ 90,923	**10.5**	$ 203,661	$ 185,525	**9.8**

International Operations and the Impact of Foreign Exchange

Our principal operations are in the U.S., Europe, Japan and other parts of Asia. Our products are marketed in more than 50 countries around the world via a direct sales force as well as independent distributors.

Our revenues generated outside the U.S. approximated 62.3% and 66.6% for the second quarters of fiscal years 2006 and 2005, respectively, and 62.6% and 65.9% for the first six months of fiscal years 2006 and 2005, respectively. Revenues in Japan accounted for approximately 25.9% and 28% of total revenues for the second quarter of fiscal year 2006 and 2005, respectively, and

25.2% and 28.1% for the first six months of fiscal years 2006 and 2005. Revenues in Europe accounted for approximately 27.6% and 28.3% of our total revenues for the second quarters of fiscal year 2006 and 2005, respectively and 29.0% and 29.2% of our revenues for the first six months of fiscal years 2006 and 2005. International sales are primarily conducted in local currencies, primarily the Japanese Yen and the Euro. Accordingly, our results of operations are significantly affected by changes in the value of the Yen and the Euro relative to the U.S. dollar. The favorable effects of foreign exchange resulted in a 2.6% increase in revenues quarter over quarter and 2.7% increase in revenues for the six month period.

Please see section entitled “Foreign Exchange” in this discussion for a more complete explanation of how foreign currency affects our business and our strategy for managing this exposure.

Net Revenues
By Product
Type

(in thousands)

	For the three months ended			For the six months ended		
	October 1, 2005	**October 2, 2004**	**% Increase/ Q2FY06 vs. Q2FY05**	**October 1, 2005**	**October 2, 2004**	**% Increase/ YTDFY06 vs. YTDFY05**
Disposables	86,964	$ 84,274	**3.2%**	$ 178,097	$ 167,763	**6.2%**
Equipment	6,623	2,580	**156.7**	12,734	9,253	**37.6**
Misc. & service	6,901	4,069	**69.6**	12,830	8,509	**50.8**
Net revenues	100,488	$ 90,923	**10.5**	$ 203,661	$ 185,525	**9.8**

Disposables
Revenues
By Product Line

(in thousands)

	For the three months ended			For the six months ended		
	October 1, 2005	**October 2, 2004**	**% Increase/**	**October 1, 2005**	**October 2, 2004**	**% Increase/**

			Q1FY06 vs. Q1FY05			YTDFY 06 vs. YTDFY 05
Donor:						
Plasma	$ 25,938	$ 24,238	**7.0%**	$ 53,241	$ 49,724	**7.1%**
Blood Bank	32,193	33,338	**(3.4)**	$ 64,883	64,107	**1.2**
Red Cell	8,903	6,653	**33.8**	$ 17,358	13,114	**32.4**
Subtotal	**$ 67,034**	**$ 64,229**	**4.4**	**$ 135,482**	**$ 126,945**	**6.7**
Patient:						
Surgical	**19,930**	**20,045**	**(0.6)**	**42,615**	**40,818**	**4.4**
Total disposables revenue	**$ 86,964**	**$ 84,274**	**3.2**	**$ 178,097**	**$ 167,763**	**6.2**

DONOR PRODUCTS

Donor products include the Plasma, Blood Bank and Red Cell product lines. Disposable revenue for donor products increased 4.4% compared to the second quarter of fiscal year 2005 and 6.7% compared to the first six months of fiscal year 2005. Foreign exchange resulted in a 2.9% increase in donor disposable revenue for the quarter and the first six months. The remaining increase of 1.5% for the quarter and 3.8% for the first six months was a result of increases in the Plasma and Red Cell product lines partly offset by a decrease in the Blood Bank product line.

Plasma

Plasma disposable revenue for donor products increased 7.0% compared to the second quarter of fiscal year 2005 and 7.1% over the first six months of fiscal year 2005. Foreign exchange resulted in a 2.4% increase in donor disposable revenue for both the quarter and the first six months of 2006. Of the remaining increase of 4.6% for the quarter and 4.7% for the first six months, the US revenues contributed over 200% of the increases, respectively, partially offset by decreases in Japan and Asia. In the U.S. we experienced an increase in collections both because our market share grew over fiscal year 2005 due to conversion to Haemonetics systems by one very large customer (ZLB Plasma services ("ZLB")) and because the oversupply of source plasma that had existed in fiscal year 2005 tapered off resulting in more collections by our customers. Conversely, in Japan, fewer plasma collections were performed as compared to fiscal year 2005

due to an oversupply of plasma inventory. In Asia, collections were down due to increased competition in China from local products.

Blood Bank

Blood bank disposable revenue for donor products decreased 3.4% compared to the second quarter of fiscal year 2005 and increased 1.2% compared to the first six months of fiscal year 2005. Foreign exchange resulted in a 3.7% increase in donor disposable revenue during both the quarter and the first six months.

Without the favorable effect of currency, blood bank revenue decreased 7.1% for the quarter. Approximately 40% of the decrease was from the U.S., 20% was attributable to Japan, and the balance was spread across our other regions. The decrease in the U.S. was due to lower sales of intravenous solutions that we produce as OEM for pharmaceutical companies due to the entry of competitors into the market. The decrease in Japan resulted from fewer platelet collections. Some of the market share increases we gained in Japan during fiscal year 2005 due to a competitor exiting the market were redistributed in fiscal year 2006 among the other remaining vendors.

For the first six months of fiscal year 2006 blood bank disposable revenue without currency decreased 2.5%. Approximately 125% of the decrease was driven by Japan offset by a slight increase in Asia. The decrease in Japan was a result of fewer platelet collections, for the reasons discussed above. The increase in the Asia was due to reduced level of sales in the first quarter of fiscal year 2005 as these products were transitioned to a direct sales force in certain China markets.

Red Cell

Red Cell disposable revenue for donor products increased 33.8% compared to the second quarter of fiscal year 2005 and 32.4% compared to the first six months of fiscal year 2005. Foreign exchange resulted in a 0.8% increase in donor disposable revenue during the quarter and a 1.0% increase during the first six months.

Of the remaining increase of 33.0% for the quarter and 31.4% for the first six months, the U.S. approximated almost 100% of these increases. The increases in the U.S are primarily due to an increase in filtered units sold, and, to a lesser extent, a shift to higher priced filtered sets, which include a filter to remove white blood cells from the collected blood. The increase in units sold is primarily a result of expanding our penetration at existing customer sites.

PATIENT PRODUCTS

Surgical

The surgical blood salvage product line has two major brand platforms: the Cell Saver® brand and the OrthoPAT® brand. Surgical disposable revenue decreased 0.6% compared to the second quarter of fiscal year 2005 and increased 4.4% compared to the first six months of fiscal year 2005. Foreign exchange resulted in a 2.0% increase in surgical disposable revenue during the quarter and a 2.3% increase during the first six months. Without the favorable effects of currency, surgical disposable revenue decreased 2.6% for the quarter and increased 2.1% for the first six months.

Cell Saver disposables revenue decreased 1.5% as compared to the second quarter of fiscal year 2005 and increased 1.4% compared to the first six months of fiscal year 2006. Foreign exchange resulted in a 2.1% increase in cell saver disposable revenue during the quarter and a 2.5% increase during the first six months. Without the favorable effect of currency, cell saver disposable revenue decreased 3.6% for the quarter and 1.1% for the first six months.

Approximately 150% and 300% of the decrease, for the quarter and six months, respectively, is attributable to the US, partially offset in both periods by increases in other markets The decrease in the US is a result of the declining number of higher blood loss cardiovascular procedures performed in the US offset partially by the favorable effect of price increases.

OrthoPAT disposables revenue increased 2.6% as compared to the second quarter of fiscal year 2005 and 15.3% compared to the first six months of fiscal year 2006. Foreign exchange resulted in a 1.4% increase in OrthoPAT disposable revenue during the quarter and a 1.9% increase during the first six months. Of remaining increase of 1.2% for the quarter, 300% is attributable to Europe offset by a nearly equivalent decrease in the US. For the six months revenues increased 13.4% without the favorable effects of foreign currency. Growth was split almost evenly between Europe and the US. The increase in Europe was due primarily to higher unit sales... For the six months, the U.S. increases were attributable to higher unit sales as orthopedic surgeons continue to adopt surgical blood salvage as an effective alternative to patient pre-donation or donated blood during hip and knee replacements and other orthopedic surgeries and to price improvements. These increases in the US for the six months were mitigated by a decrease resulting from the transition of sales from a distributor relationship to direct sales. The distributor is permitted to sell the OrthoPAT product line in the US, on a non-exclusive basis until February 2006.

Other Revenues

(in thousands)

	For the three months ended			For the six months ended		
	October 1, 2005	October 2, 2004	% Increase/ Q2FY06 vs. Q2FY05	October 1, 2005	October 2, 2004	% Increase/ YTD FY06 vs. YTD FY05
Equipment	$ 6,623	$ 2,580	**156.7%**	$ 12,734	$ 9,253	**37.6%**
Miscellaneous & Service	6,901	4,069	**69.6**	12,830	8,509	**50.8**
Total other revenues	**$ 13,524**	**$ 6,649**	**103.4**	**25,564**	**$ 17,762**	**43.9**

Equipment revenue increased 156.7% as compared to the second quarter of fiscal year 2005 and 37.6% compared to the first six months of fiscal year 2006. Foreign exchange resulted in a 0.1% increase in equipment revenue during the quarter and a 1.0% increase during the first six months.

Of the remaining increase of 156.6% for the quarter approximately 50% is attributable to sales of our cell processing equipment to the military and 30% is due to increased sales of our new Cell Saver 5+® device. Of the remaining increase of 36.6% for the first six months, increases of approximately 95% are attributable to our blood bank devices (including cell processing) and 60% to our Cell Saver 5+® devices, offset by reduced sales of our red cell collection devices, as we had a significant sale to a U.S. red cell customer in the first quarter of fiscal year 2005. Equipment sales fluctuate from period to period.

Our miscellaneous and service revenue includes revenue from repairs performed under preventive maintenance contracts or emergency service visits, spare part sales, various training programs and revenue from our software division, 5D.

Miscellaneous and Service revenue increased 69.6% as compared to the second quarter of fiscal year 2005 and 50.8% compared to the first six months of fiscal year 2006. Foreign exchange resulted in a 2.0% increase in miscellaneous and service revenue during the quarter and a 2.2% increase during the first six months. Of the remaining increase of 67.6% for the quarter and 48.6% for the first six months, approximately 80% was due to increased revenues from 5D. These increased sales were principally the result of a software support contract for a military customer.

Gross Profit

(in thousands)

	For the three months ended			For the six months ended		
	October 1, 2005	October 2, 2004	% Increase/ Q2FY06 vs. Q2FY05	October 1, 2005	October 2, 2004	% Increase/ YTD FY06 vs. YTD FY05
Gross Profit	**$ 51,765**	**$ 45,549**	**13.6%**	**$ 106,289**	**$ 92,649**	**14.7%**
% of net revenues	**51.5%**	***50.1%***		**52.2%**	***49.9%***	

Gross profit increased 13.6% as compared to the second quarter of fiscal year 2005 and 14.7% compared to the first six months of fiscal year 2006. Foreign exchange resulted in a 5.5% increase in gross profit during both the quarter and the first six months. The remaining increase of 8.1% for the quarter and 9.2% for the first six months, was due primarily to i) the net increase in sales, ii) improved manufacturing efficiencies as a result of more product being produced in our plants and (iii) a decrease in depreciation on our equipment at customer sites primarily as a result of an increasing number of fully depreciated machines in our U.S. commercial plasma machine pool. In the quarter, these increases were partially offset by a $1.1 million reserve for equipment and components no longer expected to be marketed and sold.

Operating Expenses

(in thousands)

	For the three months ended	For the six months ended

	October 1, 2005	October 2, 2004	% Increase/ Q2FY06 vs. Q2FY05	October 1, 2005	October 2, 2004	% Increase/ YTDFY06 vs. YTDFY05
Research and development	$ 6,283	$ 4,253	**47.7%**	$ 11,824	$ 8,307	**42.3%**
% of net revenues	*6.3%*	*4.7%*		5.8%	*4.5%*	
Selling, general and administrative	30,103	27,385	**9.9**	60,591	55,469	**9.2**
% of net revenues	*30.0%*	*30.1%*		29.8%	*29.9%*	
Total Operating Expenses	**$ 36,386**	**$ 31,638**	**15.0**	**$ 72,415**	**$ 63,776**	**13.5**
% of net revenues	***36.2%***	***34.8%***		***35.6%***	***34.4***%	

Research and Development

Research and development expenses increased 47.7% as compared to the second quarter of fiscal year 2005 and 42.3% compared to the first six months of fiscal year 2005. Foreign exchange resulted in a 0.2% decrease in research and development during the quarter and a 0.6% increase during the first six months. Increased spending on new products was the primary factor in the remaining increases of 47.9% for the quarter and 41.7% for the first six months. The most significant amount of the increased spending was for development of our new, multi-component collection platform.

Selling, General and Administrative

During the second quarter of fiscal year 2006, selling, general and administrative expenses increased 9.9%. There was no effect of foreign exchange on the second quarter. The increase was largely due to higher personnel-related expenses and legal fees. The higher personnel related expenses were primarily attributable to marketing and sales to support our new products and higher level of sales and to a lesser extent our compliance and legal activities.

During the first six months of fiscal year 2006, selling, general and administrative expenses increased 9.2%. The effect of foreign exchange accounted for 1.0% of the increase. The majority of the remaining 8.2% increase was due to (i) higher personnel-related expenses in marketing and

sales to support our new products and a higher level of sales, (ii) increased legal and compliance costs, (iii) higher personnel-related expenses in compliance and legal to support our compliance requirements, and (iv) increased costs associated with the conversion of our plasma devices to ZLB under the newly awarded contract.

Operating Income

(in thousands)

	For the three months ended			For the six months ended		
	October 1, 2005	October 2, 2004	% Increase/ Q2FY06 vs. Q2FY05	October 1, 2005	October 2, 2004	% Increase/ YTD FY06 vs. YTD FY05
Operating income	**$ 15,379**	**$ 13,911**	**10.6%**	**$ 33,874**	**$ 28,873**	**17.3%**
% of net revenues	**15.3%**	***15.3%***		**16.6%**	***15.6%***	

Operating income increased 10.6% as compared to the second quarter of fiscal year 2005 and 17.3% compared to the first six months of fiscal year 2006. Foreign exchange resulted in an 18.4% increase in operating income during the quarter and a 15.8% increase during the first six months. Without the favorable effects of foreign currency, operating income decreased 7.8% for the second quarter primarily due to increases in gross profit that were more than offset by the investment in new product research and development and sales and marketing support. For six months, without the favorable effects of foreign exchange, operating income increased 1.5% primarily due to gross profit growth offset by increased research and support costs, legal and outside fees and sales and marketing support.

Other income, net

(in thousands)

	For the three months ended			For the six months ended		
	October 1, 2005	October 2, 2004	% Increase/ Q2FY06 vs. Q2FY05	October 1, 2005	October 2, 2004	% Increase/ YTD FY06 vs. YTD FY05
Interest expense	$ (522)	$ (636)	**(17.9)%**	$ (1,063)	$ (1,297)	**(18.0)%**
Interest income	1,083	502	**115.7**	2,396	865	**177.0**
Other income (expense), net	481	(69)	**(797.1)**	1,345	(301)	**(546.8)**
Total other income(expense), net	**$ 1,042**	**$ (203)**	**(613.3)**	**$ 2,678**	**$ (733)**	**(265.3)**
% of net revenues	***1.0%***	***0.2%***		***1.3%***	***0.4%***	

Other income (expense), net increased during both the second quarter and six month periods of fiscal year 2006 due to (i) a decrease in interest expense due to lower average debt outstanding as compared to the fiscal year 2005, (ii) an increase in interest income due to higher cash balances and higher interest rates and (iii) an increase in other income, net, as a result of increases in hedge-points and a $0.3 million insurance settlement on a property loss during the first quarter of fiscal year 2006. Points on forward contracts are amounts, either expensed or earned, based on the interest rate differential between two foreign currencies in a forward hedge contract.

Income taxes

(in thousands)

	For the three months ended			For the six months ended		
	October 1, 2005	October 2, 2004	% Increase/ Q2FY06 vs. Q2FY05	October 1, 2005	October 2, 2004	% Increase/ YTD FY06 vs. YTD FY05
Income taxes	**$ 5,476**	**$ 4,834**	**13.3%**	**$ 12,723**	**$ 9,446**	**34.7%**
% of net revenues	***5.5%***	***5.3%***		***6.2%***	***5.1%***	
% of pretax income	***33.3%***	***35.3%***		***34.8%***	***33.6%***	

Income Taxes

The income tax provision for the quarter, as a percentage of pretax income, was 33.3%, incorporating a 35.8% expected annualized tax rate reduced principally by $0.3 million due to the favorable determination of a tax deduction. The income tax provision, as a percentage of pretax income, was 35.3% for the second quarter of fiscal year 2005, incorporating a 36.0% natural tax rate reduced by a $0.1 million due to the favorable determination of a tax deduction.

The income tax provision for the six months of fiscal year 2006, as a percentage of pretax income, was 34.8%, incorporating a 35.8% natural tax rate for the fiscal year reduced by a $0.3 million due to the favorable determination of a tax deduction. For the first six months of fiscal 2005, the income tax provision, as a percentage of pretax income, was 33.6% incorporating a 36.0% natural tax rate reduced by reserve releases for $0.6 million in Japan as we resolved the deductibility of certain taxes during the first quarter of fiscal 2005, and the previously mentioned $0.1 million in the U.S. during the second quarter of fiscal 2005.

We expect our natural tax rate to approximate 35.8% for the remainder of fiscal year 2006, although future adjustments may increase or decrease the reported effective tax rate.

New Products

We have delayed the full market release of the cardioPAT brand cell salvage system, a device approved for use in certain cardiovascular surgeries, and voluntarily recalled 33 devices that we had placed at customer trial sites, due to a potential problem with a valve on the disposable. We have identified a design change to eliminate the potential problems that could be caused by the valve on the disposable, and expect the cost to implement those corrective actions will be approximately $0.2 million, which was largely incurred in our second quarter. We have begun to implement the design change and have filed for regulatory approval. We have also delayed the launch of the CritScan device, a technology designed to perform non-invasive hematocrit testing. We have the right to market and sell CritScan world wide as a result of a marketing partnership

that we entered into with a third party. Critscan is not performing to the Company's quality standards in initial customer trials.

Liquidity and Capital Resources

The following table contains certain key performance indicators we believe depict our liquidity and cash flow position:

	October 1, 2005	April 2, 2005
	(dollars in thousands)	
Cash & cash equivalents	$ 209,981	$ 185,815
Working capital	$ 291,161	$ 255,689
Current ratio	4.3	3.9
Net cash position (1)	$ 163,371	$ 139,972
Days sales outstanding (DSO)	74	70
Annual disposables finished goods inventory turnover	5.1	4.9

(1) *Net cash position is the sum of cash and cash equivalents less total debt.*

Our primary sources of capital include cash and cash equivalents, internally generated cash flows, bank borrowings and option exercises. We believe these sources to be sufficient to fund our requirements, which are primarily capital expenditures, acquisitions, new business and product development and working capital for at least the next twelve months.

	For the six months ended	$ Increase

	October 1, 2005	October 2, 2004	Q2 06 vs Q2 05
	(In thousands)		
Net cash provided by (used in):			
Operating activities	22,628	$ 27,384	(4,756)
Investing activities	(7,613)	(30,791)	23,178
Financing activities	9,881	3,992	5,889
Effect of exchange rate changes on cash (1)	(730)	27	(757)
Net increase in cash and cash equivalents	**$ 24,166**	**$ 612**	**$ 23,554**

(1) The balance sheet is affected by spot exchange rates used to translate local currency amounts into U.S. dollars. In comparing spot exchange rates at October 1, 2005 versus April 2, 2005, the European currencies,

primarily the Euro, and the Yen have weakened against the U.S. dollar. In accordance with GAAP, we have removed the effect of foreign currency throughout our cash flow statement, except for its effect on our cash and cash equivalents.

Cash Flow Overview:

Six Month Comparison

Operating Activities:

Net cash provided by operating activities decreased $4.8 million in the first six months of fiscal year 2006 due primarily to decreases from:

- $4.1 million in increased accounts receivable balances due to the higher level of sales,
- $4.9 million from increased inventory purchases during the first six months of fiscal year 2006 and
- $1.7 million from decreases in accounts payable and accrued expenses and changes in other assets and long-term liabilities.

Offset by increases from:

- $4.4 million in net income adjusted for non-cash items
- $1.5 million from lower tax prepayments

Investing Activities:

Net cash provided by investing activities increased $23.2 million as a result of an increase of:

- $25.1 million, of net investments in short-term investments in the first six months of fiscal year 2005, that did not occur this year.
- $4.0 from acquisition of patents during the second quarter of fiscal year 2005 that did not occur during the first six months of fiscal year 2006

offset by decreases from:

- $2.5 million less proceeds from the sale of property, plant and equipment, due primarily to a significant sale of our equipment to a red cell customer during the first quarter of fiscal year 2005 and,
- a $3.4 million increase in capital expenditures during the first six months of fiscal year 2006 as compared to the first six months of fiscal year 2005 reflecting the expansion of our Scotland plant, and placement of new devices.

During the first six months of fiscal year 2006, we had capital expenditures of $10.5 million.

Financing Activities:

Net cash provided by financing activities increased by $5.9 million. The increase was due primarily to:

- $0.6 million in increased proceeds from stock option exercises and from employee stock purchase plan activity during the first six months of fiscal year 2006.
- $5.0 million more cash provided by short-term debt proceeds to meet the working capital needs of our Japan subsidiary and,
- $0.3 million from grant monies received

Inflation

We do not believe that inflation has had a significant impact on our results of operations for the periods presented. Historically, we believe we have been able to minimize the effects of inflation by improving our manufacturing and purchasing efficiencies, by increasing employee productivity and by adjusting the selling prices of products.

Foreign Exchange

Approximately 63% of our sales are generated outside the U.S. in local currencies, yet our reporting currency is the U.S. dollar. Our primary foreign currency exposures in relation to the U.S. dollar are the Japanese Yen and the Euro. Foreign exchange risk arises because we engage in business in foreign countries in local currency. Exposure is partially mitigated by producing and sourcing product in local currency and expenses incurred by local sales offices. However, whenever the U.S. dollar strengthens relative to the other major currencies, there is an adverse affect on our results of operations and alternatively, whenever the U.S. dollar weakens relative to the other major currencies there is a positive effect on our results of operations.

It is our policy to minimize for a period of time, the unforeseen impact on our financial results of fluctuations in foreign exchange rates by using derivative financial instruments known as forward contracts to hedge the anticipated cash flows from forecasted foreign currency denominated sales. Hedging through the use of forward contracts does not eliminate the volatility of foreign exchange rates, but because we generally enter into forward contracts one year out, rates are fixed for a one-year period, thereby facilitating financial planning and resource allocation. We enter into forward contracts that mature one month prior to the anticipated timing of the forecasted

foreign currency denominated sales. These contracts are designated as cash flow hedges and are intended to lock in the expected cash flows of forecasted foreign currency denominated sales at the available spot rate. Actual spot rate gains and losses on these contracts are recorded in sales, at the same time the underlying transactions being hedged are recorded.

We compute a composite rate index for purposes of measuring, comparatively, the change in foreign currency hedge spot rates from the hedge spot rates of the corresponding period in the prior year. The relative value of currencies in the index is weighted by sales in those currencies. The composite was set at 1.00 based upon the weighted rates at March 31, 1997. The composite rate is presented in the period corresponding to the maturity of the underlying forward contracts. The favorable or (unfavorable) changes are in comparison to the same period of the prior year. A favorable change is presented when we will obtain relatively more U.S. dollars for each of the underlying foreign currencies than we did in the prior period. An unfavorable change is presented when we obtain relatively fewer U.S. dollars for each of the underlying foreign currencies than we did in the prior period. These indexed hedge rates impact sales, and as a result also gross profit, operating income and net income, in our consolidated financial statements. The final impact of currency fluctuations on the results of operations is dependent on the local currency amounts hedged and the actual local currency results.

			Composite Index Hedge Spot Rates	Favorable / (Unfavorable) Change versus Prior Year
FY2002		Q1	0.99	5.2%
		Q2	0.97	3.3%
		Q3	1.01	(8.6)%
		Q4	1.05	(7.5)%
2002	**Total**		**1.00**	**(2.0)%**
FY2003		Q1	1.09	(8.9)%
		Q2	1.08	(10.3)%
		Q3	1.10	(8.1)%
		Q4	1.17	(11.0)%
2003	**Total**		**1.11**	**(9.5)%**
FY2004		Q1	1.13	(3.6)%
		Q2	1.05	3.6%
		Q3	1.06	3.2%
		Q4	1.01	15.9%
2004	**Total**		**1.06**	**4.9%**
FY2005		Q1	0.97	15.7%
		Q2	0.99	5.1%
		Q3	0.92	15.5%
		Q4	0.89	14.1%
2005	**Total**		**0.94**	**12.7%**
FY2006		Q1	0.92	5.2%
		Q2	0.91	9.1%
		Q3	0.87	5.7%
		Q4	0.86	2.8%
2006	**Total**		**0.89**	**5.1%**
FY2007		Q1	0.89	3.6%
		Q2	0.92	(1.1)%

Q3	0.96*	(8.9)%

*NOTE: * Represents hedges for October FY07.*

Recent Accounting Pronouncements

In May 2005, the Financial Accounting Standards Board ("FASB") issued FASB Statement No. 154, "Accounting Changes and Error Corrections", ("SFAS No. 154") to replace Accounting Principles Board ("APB") Opinion No. 20, "Accounting Changes" and SFAS Statement No. 3, "Reporting Accounting Changes in Interim Financial Statements." SFAS No. 154 applies to the reporting of voluntary changes in accounting principles. APB Opinion No. 20 required that most voluntary changes in accounting principle be recognized by including the cumulative effect of the change in the current period in which the change is made. SFAS No. 154 requires that the effect of the change be reported retrospectively to prior periods unless it is 1) impracticable to determine the period by period effect of the change and/or 2) the cumulative effect of the change. When it is impracticable to determine the period by period effect of the change, the Statement requires that the effect of the change be applied to the balances of assets and liabilities in the earliest period for which retrospective application is practical and the offset be made to retained earnings or other appropriate equity account. In the case where it is impracticable to determine

the cumulative effect of applying a change, the Statement requires that the new accounting principle be applied prospectively from the earliest practicable date. This statement is effective for our fiscal year 2007.

On December 16, 2004, the FASB issued FASB Statement No. 123 (revised 2004), "Shared-Based payments", ("SFAS No. 123R") which is a revision of FASB Statement No. 123, ("SFAS No. 123") Accounting for Stock Based Compensation. SFAS No. 123R supersedes Accounting Principles Board ("APB") Opinion No. 25, "Accounting for Stock Issued to Employees." SFAS No.123R requires all share-based payments to employees, including grants of employee stock options, to be recognized in the income statements based on their fair values. The disclosure only approach permitted by SFAS No. 123 and elected by us, is no longer an alternative effective for our fiscal year 2007 beginning on April 2, 2006. Accordingly, the adoption of SFAS No. 123R's fair value method will have a significant impact on the results of operations, although it will have no material impact on our overall financial position. The impact of adoption of SFAS No. 123R cannot be predicted at this time because it will depend on levels of share-based payments granted in the future as well as other factors. We are currently evaluating which fair value method and which transition method we will use to adopt the requirements of SFAS No. 123R.

The FASB recently issued, FASB Statement SFAS No. 151, "Inventory Costs," ("SFAS No. 151") an amendment of Accounting Research Bulletin ("ARB") No. 43, Chapter 4. The amendment clarifies that abnormal amounts of idle facility expense, freight, handling costs, and wasted materials should be recognized as current-period charges. It also clarifies that the required allocation of fixed production overheads to inventory are based on the normal capacity of the production facilities. We adopted SFAS No. 151 on April 3, 2005 at the beginning of our fiscal year 2006. The clarification provided by SFAS No. 151 is consistent with our current accounting policy, and accordingly there was no impact from the adoption of this statement.

Cautionary Statement Regarding Forward-Looking Information

Statements contained in this report, as well as oral statements we make which are prefaced with the words "may," "will," "expect," "anticipate," "continue," "estimate," "project," "intend," "designed," and similar expressions, are intended to identify forward looking statements regarding events, conditions, and financial trends that may affect our future plans of operations, business strategy, results of operations, and financial position. These statements are based on our current expectations and estimates as to prospective events and circumstances about which we can give no firm assurance. Further, any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made. As it is not possible to predict every new factor that may emerge, forward-looking statements should not be relied upon as a prediction of our actual future financial condition or results. These forward-looking statements, like any forward-looking statements, involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include technological advances in the medical field and our standards for transfusion medicine and our ability to successfully implement products that incorporate such advances and standards, product demand and market acceptance of our products, regulatory uncertainties, the effect of economic and political conditions, the impact of competitive products and pricing, the impact of industry consolidation, foreign currency exchange rates, changes in customers' ordering patterns, the effect of industry consolidation as seen in the Plasma market,

the effect of communicable diseases and the effect of uncertainties in markets outside the U.S. (including Europe and Asia) in which we operate. The foregoing list should not be construed as exhaustive.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The Company's exposures relative to market risk are due to foreign exchange risk and interest rate risk.

FOREIGN EXCHANGE RISK

See the section entitled Foreign Exchange for a discussion of how foreign currency affects our business. It is our policy to minimize for a period of time, the unforeseen impact on our financial results of fluctuations in foreign exchange rates by using derivative financial instruments known as forward contracts to hedge anticipated cash flows from forecasted foreign currency denominated sales. We do not use the financial instruments for speculative or trading activities. At October 1, 2005, we had the following significant foreign exchange contracts to hedge the anticipated cash flows from forecasted foreign currency denominated sales outstanding:

Hedged Currency	(BUY) / SELL Local Currency	Weighted Spot Contract Rate	Weighted Forward Contract Rate	Fair Value	Maturity
Euro	5,800,000	$ 1.320	$ 1.327	$ 701,883	Oct-Nov 2005
Euro	8,850,000	$ 1.306	$ 1.320	$ 946,869	Dec 2005-Feb 2006
Euro	10,350,000	$ 1.258	$ 1.276	$ 594,496	Mar-May 2006
Euro	8,815,000	$ 1.227	$ 1.249	$ 216,185	Jun-Aug 2006

Japanese Yen	1,305,000,000	104.7	per US$	102.0	per US$	$	1,199,520	Oct-Nov 2005
Japanese Yen	1,625,000,000	104.5	per US$	101.3	per US$	$	1,449,559	Dec 2005-Feb 2006
Japanese Yen	1,553,000,000	106.9	per US$	103.3	per US$	$	937,013	Mar-May 2006
Japanese Yen	1,559,000,000	111.3	per US$	107.1	per US$	$	263,188	Jun-Aug 2006
				Total:		$	6,308,713	

We estimate the change in the fair value of all forward contracts assuming both a 10% strengthening and weakening of the U.S. dollar relative to all other major currencies. In the event of a 10% strengthening of the U.S. dollar, the change in fair value of all forward contracts would result in a $10.9 million increase in the fair value of the forward contracts; whereas a 10% weakening of the U.S. dollar would result in a $12.2 million decrease in the fair value of the forward contracts.

INTEREST RATE RISK

All of our long-term debt is at fixed rates. Accordingly, a change in interest rates has an insignificant effect on our interest expense amounts. The fair value of our long-term debt, however, does change in response to interest rate movements due to its fixed rate nature.

At October 1, 2005, the fair value of our long-term debt was approximately $2.1 million higher than the value of the debt reflected on our financial statements. This higher fair market is entirely related to our $11.4 million, 7.05% fixed rate senior notes and our $7.5 million, 8.41% real estate mortgage.

At October 2, 2004, the fair value of our long-term debt was approximately $2.2 million higher than the value of the debt reflected on our financial statements. This higher fair market is entirely related to our $17.1 million, 7.05% fixed rate senior notes and our $8.1 million, 8.41% real estate mortgage.

Using scenario analysis, if interest rate on all long-term maturities changed by 10% from the rate levels that existed at October 1, 2005 the fair value of our long-term debt would change by approximately $0.3 million.

ITEM 4. CONTROLS AND PROCEDURES

We conducted an evaluation, as of October 1, 2005, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer (the Company's principal executive officer and principal financial officer, respectively) regarding the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15 of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to them by others within those entities.

There was no change in our internal control over financial reporting during the three and six months ended October 1, 2005 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable

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

Not applicable.

Item 3. Defaults upon Senior Securities

Not applicable.

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

On July 27, 2005, the Company held its annual meeting of stockholders. At the meeting, Lawrence C. Best was re-elected as a Director for a term ending in 2008 and two new Directors, Richard J. Meelia and Ronald L. Merriman, were elected as Directors for terms ending in 2008. The voting results were as follows:

Lawrence C. Best	For 24,266,194	Withheld 351,929
Richard J. Meelia	For 24,296,806	Withheld 321,317
Ronald L. Merriman	For 24,295,506	Withheld 322,617

The other members of the Board of Directors whose terms continued after the meeting were:

Serving a Term Ending in 2006 – Ronald G. Gelbman, Ronald A. Matricaria and Brad Nutter

Serving a Term Ending in 2007 – Susan Bartlett Foote and Pedro P. Granadillo.

At the meeting, the stockholders approved the Company's 2005 Long-term Incentive Compensation Plan. The vote was as follows:

For 16,295,822	Against 5,773,801	Abstain 166,171	Broker Non-Vote 2,382,329

At the meeting, the stockholders ratified the selection by the Board of Directors of Ernst & Young LLP as independent public accountants for the current fiscal year. The vote was as follows:

For 24,018,431	Against 592,613	Abstain 7,079	Broker Non-Vote —

Item 5. Other Information

None

Item 6. Exhibits

10.1 Form of Option Agreement for Non-Qualified stock options for the 2005 Long Term-Incentive Compensation Plan for Non-employee Directors.

10.2 Form of Option Agreement for Non-Qualified stock options for the 2005 Long Term-Incentive Compensation Plan for Employees.

10.3 Form of Option Agreement for Non-Qualified stock options for the 2005 Long Term-Incentive Compensation Plan for the Chief Executive Officer.

31.1 Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002, of Brad

Nutter, President and Chief Executive Officer of the Company

31.2 Certification pursuant to Section 302 of Sarbanes-Oxley of 2002, of Ronald J. Ryan, Vice President and Chief Financial Officer of the Company

32.1 Certification Pursuant to 18 United States Code Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Brad Nutter, President and Chief Executive Officer of the Company

32.2 Certification Pursuant to 18 United States Code Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Ronald J. Ryan, Vice President and Chief Financial Officer of the Company

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.

HAEMONETICS CORPORATION

Date: November 8, 2005

By : s/Brad Nutter
Brad Nutter, President and Chief Executive Officer

Date: November 8, 2005

By : s/ Ronald J. Ryan
Ronald J. Ryan, Vice President and Chief Financial Officer (Principal Financial Officer)

HAEMONETICS CORPORATION

2005 LONG-TERM INCENTIVE COMPENSATION PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

WITH

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Director

HAEMONETICS CORPORATION
NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER 2005 LONG-TERM INCENTIVE COMPENSATION PLAN

AGREEMENT entered into the day of , by and between Haemonetics Corporation, a Massachusetts corporation with a principal place of business in Braintree, Massachusetts, (the "Company"), and the undersigned director of the Company (the "Director").

1. The Company desires to grant the Director a non-qualified stock option under the Company's 2005 Long-Term Incentive Compensation Plan (the "Plan") to acquire shares of the Company's common stock, $ .01 par value per share (the "Common Stock").

2. Article 6 of the Plan provides that each option is to be evidenced by an option agreement, setting forth the terms and conditions of the option grant.

ACCORDINGLY, in consideration of the premises and of the mutual covenants and agreements contained herein, the Company and the Director hereby agree as follows:

1. Grant of Option. The Company hereby irrevocably grants to the Director a non-qualified stock option (the "Option") to purchase all or any part of an aggregate of shares of Common Stock (the "Shares") on the terms and conditions hereinafter set forth. This option shall not be treated as an incentive stock option under Section 422A of the Internal Revenue Code of 1986, as amended (the "Code").

2. Purchase Price. The purchase price ("Purchase Price") for the Shares covered by the Option shall be **$** per Share.

3. Time of Exercise of Option; Exercisability.

The Option shall be exercisable, to the full extent of all shares included in the Option, immediately upon grant.

4. Term of Options; Exercisability.

Term.

(1) Each Option shall expire not more than seven (7) years from the date of the granting thereof, but shall be subject to earlier termination as herein provided.

(2) If the Director ceases to be a director of the Company for any reason, the Option granted to the Director hereunder shall terminate two years after the date such Director ceases to be a director of the Company, or on the date on which the Option expires by its terms, whichever occurs first, provided however that if termination as a Director was by the Company for cause, the Option shall terminate immediately.

5. Manner of Exercise of Option.

(a) The Option may be exercised in full or in part by giving written, electronic or telephonic notice to the Company stating the number of Shares exercised and accompanied by payment in full for such Shares. Payment may be either wholly in cash or, with the consent of the Compensation Committee, in whole or in part in Shares of the common stock of the Company already owned by the Director exercising the Option, valued at fair market value, provided that the Shares must have been held by the Director for at least six (6) months prior to their delivery to satisfy the Option price. Upon such exercise, delivery of a certificate for paid-up, non-assessable Shares shall be made, as promptly as practicable, at the principal office of the Company to the Director exercising the Option.

(b) The Company shall at all times during the term of the Option reserve and keep available such number of Shares of its common stock as will be sufficient to satisfy the requirements of the Option. The Director shall not have any of the rights of a stockholder of the Company in respect of the Shares until one or more certificates for such Shares shall be delivered to him or her upon the due exercise of the Option.

6. Non-Transferability. The right of the Director to exercise the Option shall not be assignable or transferable by the Director otherwise than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder. The Option may be exercised during the lifetime of the Director only by him or her. The Option shall be null and void and without effect upon any attempted assignment or transfer, except as hereinabove provided, including without limitation any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition, attachment, trustee process or similar process, whether legal or equitable, upon the Option. Notwithstanding the general prohibition on the transfer, sale, or other disposition of options under the terms of the Plan and this Agreement, the options granted under this Agreement may be transferred by gift to one or more "family members" (as defined in the instructions to Form S-8), or for value to any entity in which more than fifty percent (50%) of the voting interests are owned by family members (or the director) in exchange for an interest in that entity. The directors, family members, and any such entities shall execute and deliver such documents, and shall adhere to any procedures, as the Compensation Committee shall require in order to accommodate any request by the director to transfer the options.

7. Representation Letter and Investment Legend.

(a) In the event that for any reason the Shares to be issued upon exercise of the Option shall not be effectively registered under the Securities Act of 1933 (the "1933 Act"), upon any date on which the Option is exercised in whole or in part, the person exercising the Option shall give a written representation to the Company in a form satisfactory to the Company and the Company shall place an "investment legend," so-called upon any certificate for the Shares issued by reason of such exercise.

(b) The Company shall be under no obligation to qualify Shares or to cause a registration statement or a post-effective amendment to any registration statement to be prepared for the purposes of covering the issue of Shares.

8. Adjustments on Changes in Capitalization. Adjustments on Changes in Capitalization and the like shall be made in accordance with Article 4 of the Plan, as in effect on the date of this Agreement.

9. Rights as a Shareholder. The Director shall have no rights as a shareholder with respect to any Shares, which may be purchased by exercise of this Option unless and until a certificate or certificates representing such Shares are duly issued and delivered to the Director. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

10. Withholding Taxes. Whenever Shares are to be issued upon exercise of this Option, the Company shall have the right to require the Director to remit to the Company an amount sufficient to satisfy all Federal, state and local withholding tax requirements prior to the delivery of any certificate or certificates for such Shares.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and its corporate seal to be hereto affixed by its officer thereunto duly authorized, and the Director has hereunto set his or her hand and seal, all as of the day and year first above written.

HAEMONETICS CORPORATION

By: ______________________________
Title: President & CEO

DIRECTOR

Name: ______________________________

Address: ______________

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Social Security
No: ______________________________

HAEMONETICS CORPORATION

2005 LONG-TERM INCENTIVE COMPENSATION PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

WITH

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Employee

HAEMONETICS CORPORATION
NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER 2005 LONG-TERM INCENTIVE COMPENSATION PLAN

AGREEMENT entered into this day of , 200 by and between Haemonetics Corporation, a Massachusetts corporation with a principal place of business in Braintree, Massachusetts, (the "Company"), and the undersigned employee of the Company (or one of its subsidiaries) (the Company and its subsidiaries herein together referred to as the "Company") (the "Employee").

1. The Company desires to grant the Employee a non-qualified stock option under the Company's 2005 Long-Term Incentive Compensation Plan (the "Plan") to acquire shares of the Company's common stock, $ .01 par value per share (the "Common Stock").

2. Article 6 of the Plan provides that each option is to be evidenced by an award agreement, setting forth the terms and conditions of the option.

ACCORDINGLY, in consideration of the premises and of the mutual covenants and agreements contained herein, the Company and the Employee hereby agree as follows:

1. Grant of Option. The Company hereby irrevocably grants to the Employee a non-qualified stock option (the "Option") to purchase all or any part of an aggregate of shares of Common Stock (the "Shares") on the terms and conditions hereinafter set forth. This Option shall not be treated as an incentive stock option under Section 422A of the Internal Revenue Code of 1986, as amended (the "Code").

2. Purchase Price. The purchase price ("Purchase Price") for the Shares covered by the Option shall be **$** per Share.

3. Time of Exercise of Option; Exercisability.

(a) The Option shall not be exercisable prior to . Thereafter, the Option shall be exercisable as follows:

On or After	Percentage of Shares Becoming Available for Exercise	Cumulative Percentage Available
	25%	25%
	25%	50%
	25%	75%
	25%	100%

(b) This Option shall be exercisable to the full amount of the shares covered hereby in the event of (i) any sale or conveyance to another entity of all or substantially all of the property and assets of the Company or (ii) Change of Control occurs before this Option has been exercised in full. For purposes hereof a "Change in Control" shall be deemed to have occurred if any person, or any two or more persons acting as a group, and all affiliates of such person or persons, who prior to such time owned less than thirty-five percent (35%) of the then outstanding Common Stock of the Company, shall acquire such additional shares of the Company's Common Stock in one or more transactions, or series of transactions, such that following such transaction or transactions, such person or group and affiliates beneficially own thirty-five percent (35%) or more of the Company's Common Stock outstanding.

4. Term of Options; Exercisability.

(a) Term.

(1) Each Option shall expire not more than seven (7) years from the date of the granting thereof, but shall be subject to earlier termination as herein provided.

(2) Except as otherwise provided in this Section 4 if the Employee ceases to be an employee of the Company, the Option granted to the Employee hereunder shall stop vesting on the last date of employment and shall terminate three months after the date such Employee ceases to be an

employee of the Company, voluntarily or involuntarily, or on the date on which the Option expires by its terms, whichever occurs first.

(3) If such termination of employment is because the Employee has become permanently disabled (within the meaning of Section 22(e)(3) of the Code), such Option shall continue to vest, and shall be exercisable until expiration by its terms.

(4) If such termination of employment is because the Employee has retired from the Company in good standing then such Option shall stop vesting on the last date of employment but may be exercised by the Employee (or her/his permitted transferee) at any time on or prior to the earlier of the expiration date of the Option or the expiration of two (2) years after the date of the Employee's termination due to retirement. For purposes of this Option Agreement, retirement shall mean that the Employee shall have reached age fifty five, and shall have completed at least five years of service with the Company. Years of service with any of the Company's wholly owned subsidiaries shall be credited as years of service with the Company.

(5) In the event of the death of the Employee while in the employ of the Company, any unvested options shall immediately become fully vested, and the Option shall be exercisable until expiration by its terms.

(b) Exercisability.

If the Employee ceases to be an employee of the Company, vesting of options shall stop and the Option granted to the Employee hereunder shall be exercisable only to the extent that the right to purchase Shares under such Option has accrued and is in effect on the date such Employee ceases to be an employee of the Company, except as otherwise provided in this Section 4.

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5. Manner of Exercise of Option.

(a) To the extent that the right to exercise the Option has accrued and is in effect, the Option may be exercised in full or in part by giving written, electronic, or telephonic notice to the Company stating the number of Shares exercised and accompanied by payment in full for such Shares. Payment may be either wholly in cash or, with the consent of the Compensation Committee, in whole or in part in Shares of the common stock of the Company already owned by the person exercising the Option, valued at fair market value, provided that the shares must have been held by the Participant for at least six (6) months prior to their delivery to satisfy the Option price. Upon such exercise, delivery of a certificate for paid-up, non-assessable Shares shall be made, as promptly as practicable, at the principal office of the Company to the person exercising the Option.

(b) The Company shall at all times during the term of the Option reserve and keep available such number of Shares of its common stock as will be sufficient to satisfy the requirements of the Option. The Employee shall not have any of the rights of a stockholder of the Company in respect of the Shares until one or more certificates for such Shares shall be delivered to him or her upon the due exercise of the Option.

6. Non-Transferability. The right of the Employee to exercise the Option shall not be assignable or transferable by the Employee otherwise than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder, and the Option may be exercised during the lifetime of the Employee only by him or her. The Option shall be null and void and without effect upon any attempted assignment or transfer, except as hereinabove provided, including without limitation any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition contrary to the provisions hereof, or levy of execution, attachment, trustee process or similar process, whether legal or equitable, upon the Option.

7. Representation Letter and Investment Legend.

(a) In the event that for any reason the Shares to be issued upon exercise of the Option shall not be effectively registered under the Securities Act of 1933 (the "1933 Act"), upon any date on which the Option is exercised in whole or in part, the person exercising the Option shall give a written representation to the Company in a form satisfactory to the Company and the Company shall place an "investment legend," so-called upon any certificate for the Shares issued by reason of such exercise.

(b) The Company shall be under no obligation to qualify Shares or to cause a registration statement or a post-effective amendment to any registration statement to be prepared for the purposes of covering the issue of Shares.

8. Adjustments on Changes in Capitalization. Adjustments on Changes in Capitalization and the like shall be made in accordance with Article 4 of the Plan, as in effect on the date of this Agreement.

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9. No Special Employment Rights. Nothing contained in the Plan or this Agreement shall be construed or deemed by any person under any circumstances to bind the Company to continue the employment of the Employee for the period within which this Option may be exercised. However, during the period of the Employee's employment, the Employee shall render diligently and faithfully the services which are assigned to the Employee from time to time by the Board of Directors or by the executive officers of the Company and shall at no time take any action which directly or indirectly would be inconsistent with the best interests of the Company.

10. Rights as a Shareholder. The Employee shall have no rights as a shareholder with respect to any Shares which may be purchased by exercise of this Option unless and until a certificate or certificates representing such Shares are duly issued and delivered to the Employee. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

11. Withholding Taxes. Whenever Shares are to be issued upon exercise of this Option, the Company shall require the Employee to remit to the Company an amount sufficient to satisfy all Federal, state and local withholding tax requirements, domestic or foreign, prior to the delivery of any certificate or certificates for such Shares.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and its corporate seal to be hereto affixed by its officer thereunto duly authorized, and the Employee has hereunto set his or her hand and seal, all as of the day and year first above written.

HAEMONETICS CORPORATION

By: ______________________________
Title: President

EMPLOYEE

Name: __________________________

Address: ________________________

____

Social Security No: ____________________________

Exhibit 10.3

HAEMONETICS CORPORATION

2005 LONG-TERM INCENTIVE COMPENSATION PLAN

NON-QUALIFIED STOCK OPTION AGREEMENT

WITH

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CEO

HAEMONETICS CORPORATION
NON-QUALIFIED STOCK OPTION AGREEMENT
UNDER 2005 LONG-TERM INCENTIVE COMPENSATION PLAN

AGREEMENT entered into this day of , 200 by and between Haemonetics Corporation, a Massachusetts corporation with a principal place of business in Braintree, Massachusetts, (the "Company"), and the undersigned employee of the Company (or one of its subsidiaries) (the Company and its subsidiaries herein together referred to as the "Company") (the "Employee").

1. The Company desires to grant the Employee a non-qualified stock option under the Company's 2005 Long-Term Incentive Compensation Plan (the "Plan") to acquire shares of the Company's common stock, $ .01 par value per share (the "Common Stock").

2. Article 6 of the Plan provides that each option is to be evidenced by an award agreement, setting forth the terms and conditions of the option.

ACCORDINGLY, in consideration of the premises and of the mutual covenants and agreements contained herein, the Company and the Employee hereby agree as follows:

1. Grant of Option. The Company hereby irrevocably grants to the Employee a non-qualified stock option (the "Option") to purchase all or any part of an aggregate of shares of Common Stock (the "Shares") on the terms and conditions hereinafter set forth. This Option shall not be treated as an incentive stock option under Section 422A of the Internal Revenue Code of 1986, as amended (the "Code").

2. Purchase Price. The purchase price ("Purchase Price") for the Shares covered by the Option shall be **$** per Share.

3. Time of Exercise of Option; Exercisability.

(a) The Option shall not be exercisable prior to . Thereafter, the Option shall be exercisable as follows:

On or After	Percentage of Shares Becoming Available for Exercise	Cumulative Percentage Available
	25%	25%
	25%	50%
	25%	75%
	25%	100%

(b) This Option shall be exercisable to the full amount of the shares covered hereby in the event of (i) any sale or conveyance to another entity of all or substantially all of the property and assets of the Company or (ii) Change of Control occurs before this Option has been exercised in full. For purposes hereof a "Change in Control" shall be deemed to have occurred if any person, or any two or more persons acting as a group, and all affiliates of such person or persons, who prior to such time owned less than thirty-five percent (35%) of the then outstanding Common Stock of the Company, shall acquire such additional shares of the Company's Common Stock in one or more transactions, or series of transactions, such that following such transaction or transactions, such person or group and affiliates beneficially own thirty-five percent (35%) or more of the Company's Common Stock outstanding.

4. Term of Options; Exercisability.

(a) Term.

(1) Each Option shall expire not more than seven (7) years from the date of the granting thereof, but shall be subject to earlier termination as herein provided.

(2) Except as otherwise provided in this Section 4 if the Employee ceases to be an employee of the Company, the Option granted to the Employee hereunder shall stop vesting on the last date of employment and shall terminate three months after the date such Employee ceases to be an

employee of the Company, voluntarily or involuntarily, or on the date on which the Option expires by its terms, whichever occurs first.

(3) If such termination of employment is because the Employee has become permanently disabled (within the meaning of Section 22(e)(3) of the Code), such Option shall continue to vest, and shall be exercisable until expiration by its terms.

(4) If such termination of employment is because the Employee has retired from the Company in good standing then such Option shall stop vesting on the last date of employment but may be exercised by the Employee (or her/his permitted transferee) at any time on or prior to the earlier of the expiration date of the Option or the expiration of two (2) years after the date of the Employee's termination due to retirement. For purposes of this Option Agreement, retirement shall mean that the Employee shall have reached age fifty two.

(5) In the event of the death of the Employee while in the employ of the Company, any unvested options shall immediately become fully vested, and the Option shall be exercisable until expiration by its terms.

(b) Exercisability.

If the Employee ceases to be an employee of the Company, vesting of options shall stop and the Option granted to the Employee hereunder shall be exercisable only to the extent that the right to purchase Shares under such Option has accrued and is in effect on the date such Employee ceases to be an employee of the Company, except as otherwise provided in this Section 4.

5. Manner of Exercise of Option.

(a) To the extent that the right to exercise the Option has accrued and is in effect, the Option may be exercised in full or in part by giving written, electronic, or telephonic notice to the Company stating the number of Shares exercised and accompanied by payment in full for such Shares. Payment may be either wholly in cash or, with the consent of the Compensation Committee, in whole or in part in Shares of the common stock of the Company already owned by the person exercising the Option, valued at fair market value, provided that the shares must have been held by the Participant for at least six (6) months prior to their delivery to satisfy the Option price. Upon such exercise, delivery of a certificate for paid-up, non-assessable Shares shall be made, as promptly as practicable, at the principal office of the Company to the person exercising the Option.

(b) The Company shall at all times during the term of the Option reserve and keep available such number of Shares of its common stock as will be sufficient to satisfy the requirements of the Option. The Employee shall not have any of the rights of a stockholder of the Company in respect of the Shares until one or more certificates for such Shares shall be delivered to him or her upon the due exercise of the Option.

6. Non-Transferability. The right of the Employee to exercise the Option shall not be assignable or transferable by the Employee otherwise than by will or the laws of descent and distribution, or pursuant to a qualified domestic relations order as defined by the Code or Title I of the Employee Retirement Income Security Act, or the rules thereunder, and the Option may be exercised during the lifetime of the Employee only by him or her. The Option shall be null and void and without effect upon any attempted assignment or transfer, except as hereinabove provided, including without limitation any purported assignment, whether voluntary or by operation of law, pledge, hypothecation or other disposition contrary to the provisions hereof, or levy of execution, attachment, trustee process or similar process, whether legal or equitable, upon the Option.

7. Representation Letter and Investment Legend.

(a) In the event that for any reason the Shares to be issued upon exercise of the Option shall not be effectively registered under the Securities Act of 1933 (the "1933 Act"), upon any date on which the Option is exercised in whole or in part, the person exercising the Option shall give a written representation to the Company in a form satisfactory to the Company and the Company shall place an "investment legend," so-called upon any certificate for the Shares issued by reason of such exercise.

(b) The Company shall be under no obligation to qualify Shares or to cause a registration statement or a post-effective amendment to any registration statement to be prepared for the purposes of covering the issue of Shares.

8. Adjustments on Changes in Capitalization. Adjustments on Changes in Capitalization and the like shall be made in accordance with Article 4 of the Plan, as in effect on the date of this Agreement.

9. No Special Employment Rights. Nothing contained in the Plan or this Agreement shall be construed or deemed by any person under any circumstances to bind the Company to continue the employment of the Employee for the period within which this Option may be exercised. However, during the period of the Employee's employment, the Employee shall render diligently and faithfully the services which are assigned to the Employee from time to time by the Board of Directors or by the executive officers of the Company and shall at no time take any action which directly or indirectly would be inconsistent with the best interests of the Company.

10. Rights as a Shareholder. The Employee shall have no rights as a shareholder with respect to any Shares which may be purchased by exercise of this Option unless and until a certificate or certificates representing such Shares are duly issued and delivered to the Employee. Except as otherwise expressly provided in the Plan, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such stock certificate is issued.

11. Withholding Taxes. Whenever Shares are to be issued upon exercise of this Option, the Company shall require the Employee to remit to the Company an amount sufficient to satisfy all Federal, state and local withholding tax requirements, domestic or foreign, prior to the delivery of any certificate or certificates for such Shares.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed and its corporate seal to be hereto affixed by its officer thereunto duly authorized, and the Employee has hereunto set his or her hand and seal, all as of the day and year first above written.

HAEMONETICS CORPORATION

By: ________________________________

Title: President

EMPLOYEE

Name: ________________________________

Address: ________________________________

____

Social Security No: ________________________________

EXHIBIT 31.1

CERTIFICATION

I, Brad Nutter, President and Chief Executive Officer of Haemonetics Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Haemonetics Corporation;

2. Based on my knowledge, this 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 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 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 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 and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) 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 (or persons performing the equivalent functions):

a) All significant deficiencies and material weaknesses in the design or operation of internal control 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 control over financial reporting.

Date: November 8, 2005

s/Brad Nutter

Brad N4utter, President and
Chief Executive Officer (Principal
Executive Officer)

CERTIFICATION

I, Ronald J. Ryan, Vice President and Chief Financial Officer of Haemonetics Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Haemonetics Corporation;

2. Based on my knowledge, this 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 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 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 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 and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and

    d) Disclosed in this report any change in the registrant’s internal control over financial reporting that occurred during the registrant’s most recent fiscal quarter (the registrant’s fourth fiscal quarter in the case of an annual report) 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 (or persons performing the equivalent functions):

    a) All significant deficiencies and material weaknesses in the design or operation of internal control 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 control over financial reporting.

Date: November 8, 2005

s/Ronald J. Ryan

Ronald J. Ryan, Vice President and Chief Financial Officer (Principal Financial Officer)

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 Haemonetics Corporation (the “Company”) on Form 10-Q for the period ending October 1, 2005 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brad Nutter, President and Chief Executive Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 8, 2005

s/Brad Nutter
Brad Nutter,
President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Haemonetics and will be retained by Haemonetics and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

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 Haemonetics Corporation (the “Company”) on Form 10-Q for the period ending October 1, 2005 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Ronald J. Ryan, Vice President and Chief Financial Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 8, 2005

s/Ronald J. Ryan
Ronald J. Ryan,
Vice President and Chief Financial Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Haemonetics and will be retained by Haemonetics and furnished to the Securities and Exchange Commission or its staff upon request.