FORM 10-Q

UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

WASHINGTON, D.C. 20549

Quarterly Report Under Section 13 or 15(d)

of the Securities and Exchange Act of 1934

HAEMONETICS CORPORATION

(Exact name of registrant as specified in its charter)

For the quarter ended: October 2, 1999 Commission File Number: 1-10730

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

Yes [X] No [ ]

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

25,885,424 shares of Common Stock, $ .01 par value, as of

October 2, 1999

HAEMONETICS CORPORATION

INDEX

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

HAEMONETICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF OPERATIONS

(Unaudited - in thousands, except share data)

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

HAEMONETICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS

(Unaudited - in thousands, except share data)

	Three Months Ended		Six Months Ended	
	Oct. 2, 1999	Oct. 3, 1998	Oct. 2, 1999	Oct. 3, 1998
Net revenues	68,194	67,787	137,316	139,783
Cost of goods sold	36,555	36,023	72,860	72,049
Gross profit	31,639	31,764	64,456	67,734
Operating expenses:				
Research and development	3,782	3,326	7,405	7,129
Selling, general and administrative	20,528	20,531	41,272	45,395
Total operating expenses	24,310	23,857	48,677	52,524

Total operating expenses	[illegible]	[illegible]	[illegible]	[illegible]
Operating income	7,329	7,907	15,779	15,210
Interest expense	(1,052)	(1,032)	(2,067)	(2,011)
Interest income	1,248	1,072	2,365	2,155
Other income, net	692	245	924	465
Income from continuing operations before provision for income taxes	8,217	8,192	17,001	15,819
Provision for income taxes	2,629	2,867	5,440	5,537
Earnings from continuing operations	$ 5,588	$ 5,325	$ 11,561	$ 10,282
Discontinued operations:				
Income (loss) from operations, net of income tax expense of $68 in 1999 and a ($31) tax benefit in 9981998	144	(30)	144	(87)
Net Income	$ 5,732	$ 5,295	$ 11,705	$ 10,195
Basic income(loss) per common share				
Continuing operations	$ 0.213	$ 0.200	$ 0.437	$ 0.387
Discontinued operations	0.005	(0.001)	0.005	(0.003)
Net income	0.219	0.199	0.442	0.383
Income(loss) per common share assuming dilution				
Continuing operations	$ 0.211	$ 0.198	$ 0.434	$ 0.385
Discontinued operations	0.005	(0.001)	0.005	(0.003)
Net income	0.217	0.197	0.439	0.381
Weighted average shares outstanding				
Basic	26,182	26,614	26,455	26,599
Diluted	26,470	26,832	26,638	26,729

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

HAEMONETICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

(in thousands)

	Oct. 2, 1999	April 3, 1999
ASSETS		
Current assets:		
Cash and short term investments	$ 56,209	$ 56,319
Accounts receivable, less allowance of $926 at Oct 2, 1999 and $747 at April 3, 1999	59,625	62,975
Inventories	59,539	59,773
Current investment in sales-type leases, net	10,553	12,303
Deferred tax asset	29,310	29,741
Other prepaid and current assets	7,533	10,211
Total current assets	222,769	231,322
Property, plant and equipment	180,184	178,066
Less accumulated depreciation	95,972	95,050
Net property, plant and equipment	84,212	83,016
Other assets:		
Investment in sales-type leases, net (long term)	22,312	24,716
Distribution rights, net	11,302	10,518
Other assets, net	6,769	6,787
Total other assets	40,383	42,021
Total assets .	$347,364	$356,359
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt	$10,119	$6,645
Accounts payable	13,422	10,666
Accrued payroll and related costs	9,555	9,229
Accrued income taxes	17,640	21,850
Accrued value added tax		0
Other accrued liabilities	16,121	17,476
Current liabilities and accrued losses net of current assets of discontinued operations	--	3,268
Total current liabilities	66,857	69,134
Deferred income taxes	11,617	11,684
Long-term debt, net of current maturities	52,852	52,526
[illegible]	[illegible]	[illegible]

Other long-term liabilities	2,213	1,008
Long-term liabilities, net of long-term assets of discontinued operations	--	146
Stockholders' equity:		
Common stock, $.01 par value; Authorized - 80,000,000 shares;		
Issued 29,725,122 shares at Oct 2, 1999;		
29,702,623 shares at April 3, 1999	297	297
Additional paid-in capital	65,904	65,504
Retained earnings	223,494	211,834
Cumulative translation adjustments	(9,512)	(9,825)
Stockholders' equity before treasury stock	280,183	267,810
Less: treasury stock 3,839,698 shares at cost at Oct 2, 1999		
and 2,756,969 shares at cost at April 3, 1999	66,358	45,949
Total stockholders' equity	213,825	221,861
Total liabilities and stockholders' equity	$347,364	$356,359
Supplemental disclosure of balance sheet information:		
Net debt	$ 6,762	$ 2,852

HAEMONETICS CORPORATION AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF CASH FLOWS

(Unaudited- in thousands)

	Common Stock Shares	Common Stock $'s	Additional Paid-in Capital	Treasury Stock	Retained Earnings	Cumulative Translation Adjustment	Total Stockholders' Equity	Comprehensive Income
Balance, April 3, 1999	29,703	$297	$65,504	($45,949)	$211,834	($9,825)	$221,861	
Employee stock purchase plan	--	--	--	230	(45)	--	185	
Exercise of stock options and related tax benefit	22	0	400	--	--	--	400	
Purchase of treasury stock	--	--	--	(20,638)	--	--	(20,638)	
Net income	--	--	--	--	11,705	--	11,705	$11,705
Foreign currency translation adjustment	--	--	--	--	--	313	313	313
Comprehensive income	--	--	--	--	--	--	--	$12,018
Balance, Oct 2, 1999	29,725	$297	$65,904	($66,358)	$223,494	($9,512)	$213,825	

HAEMONETICS CORPORATION AND SUBSIDIARIES

NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. Basis of Presentation

The results of operations for the interim periods shown in this report are not necessarily indicative of results for any future interim period or for the entire fiscal year. The Company believes that the quarterly information presented includes all adjustments (consisting only of normal, recurring adjustments) that the Company considers necessary for a fair presentation in accordance with generally accepted account consolidated financial statements and notes should be read in conjunction with the Company's audited annual financial statements.

2. Fiscal Year

The Company's fiscal year ends on the Saturday closest to the last day of March. Fiscal year 2000 includes 52 weeks with the second quarter, ended October 2, 1999 including 13 weeks. Fiscal year 1999 included weeks as compared to the normal 52 weeks. The additional week was added to the first quarter ended July 4, 1998 which, as a result, included 14 weeks.

The Company intends to close the third quarter after 12 weeks of activity on December 25, 1999. The activity occurring from December 26 through January 1, 2000 will be part of the fourth quarter ending April The fourth quarter will, as a result, have 14 weeks of activity. The change in the third quarter calendar is being made to focus worldwide Information Technology and other company resources on non-financial system Company's ability to perform a timely financial closing and communication of third quarter results to shareholders.

3. Comprehensive Income

In June 1998, the Company adopted Statement of Financial Accounting Standard (SFAS) NO. 130, "Reporting Comprehensive Income." SFAS 130 requires the presentation, by major components and as a single total, th change in the Company's net assets during a period from non-owner sources. Currently, the Company's non-owner changes in equity are the foreign currency translation adjustments, which totaled $9.5 million and $9.8 1999, respectively.

4. New Pronouncements

In June 1998, FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The SFAS No. 133 requires that changes in the deri currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income st forecasted probable transaction, a derivative's gains and losses are included in other comprehensive income until the transaction is consummated. Additionally, a company must formally document, designate, and asses receive hedge accounting. SFAS No. 133 is effective for fiscal years beginning after June 15, 2000. A company may implement SFAS No. 133 as of the beginning of any fiscal quarter after issuance. SFAS No. 133 cannot adopting SFAS No. 133 on the Company's financial statements or the timing of adoption of SFAS No. 133 have not been determined. However, it is expected that the derivative financial instruments acquired in connecti will continue to qualify for hedge accounting.

5. Foreign Currency

Foreign currency transactions and financial statements are translated into U.S. dollars following the provisions of SFAS No. 52, "Foreign Currency Translation." Accordingly, assets and liabilities of foreign subsidiaries are translated into U.S. dollars at exchange rates in effect at year end. Net revenues and costs and expenses are translated at average rates in effect during the year. The effects of exchange rate cha liabilities are included in the cumulative translation adjustment account. Included in other income (expense) in the consolidated statement of operations in 2000 and 1999 are $169,500 and ($358,400) respectively, i (losses).

The Company enters into forward exchange contracts to hedge certain firm sales commitments to customers that are denominated in foreign currencies. The purpose of the Company's foreign hedging activities is t minimize, for a period of time, the unforeseen impact on the Company's results of operations of fluctuations in foreign exchange rates. The Company also enters into forward contracts that settle within 35 days to h denominated in foreign currencies. Actual gains and losses on all forward contracts are recorded in operations, offsetting the gains and losses on the underlying transactions being hedged. These derivative financia 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.

At October 2, 1999 and October 3, 1998, the Company had forward exchange contracts, all maturing in less than twelve months, to exchange foreign currencies (major European currencies and Japanese yen) primari U.S. dollars totaling $153,122,000 and $157,575,000 respectively. Of the respective balances, $49,444,000 and $43,337,000 represented contracts related to intercompany receivables that settled within 35 days. The b sales commitments. Gross unrealized gains and losses from hedging firm sales commitments, based upon current rates, were a $2,038,000 gain and a ($7,763,000) loss at October 2, 1999 and a $5,188,000 gain and a ($1, Management anticipates that these deferred amounts at October 2, 1999 will be offset by the foreign exchange effect on firmly committed sales of products to international customers in future periods.

The Company is exposed to credit loss in the event of nonperformance by counter-parties on these foreign exchange contracts. The Company does not anticipate nonperformance by any of these parties.

6. 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:

Six Months Ended

	Oct 2, 1999	Oct 3, 1998
Cash Flows from Operating Activities:		
Net income	$11,705	$10,195
Less net income (loss) from discontinued operations	144	(87)
Net income from continuing operations	11,561	10,282
Adjustments to reconcile net income to net cash provided by operating activities:		
Non cash items:		
Depreciation and amortization	16,200	12,683
Restructuring charge		0
Deferred tax benefit (expense)	67	(263)
Other	491	1,665
Change in operating assets and liabilities:		
(Increase) decrease in accounts receivable - net	5,083	(526)
(Increase) decrease in inventories	325	(5,286)
(Increase) decrease in sales-type leases (current)	1,586	(862)
Decrease in prepaid income taxes	1,118	8,179
(Increase) decrease in other assets	1,475	(1,388)
Increase (decrease) in accounts payable, accrued expenses and other current liabilities	(4,842)	686
Net cash provided by operating activities, continuing operations	33,064	25,170
Net cash used in operating activities, discontinued operations	(4,932)	(7,977)
Net cash provided by operating activities	28,132	17,193
Cash Flows from Investing Activities:		
Capital expenditures on property, plant and equipment, net of retirements and disposals	(16,947)	(7,741)
Increase in distribution rights		--
Net decrease in sales-type leases (long-term)	2,934	4,782
Net cash used in investing activities, continuing operations	(14,013)	(2,959)
Net cash provided by investing activities, discontinued operations	3,562	5,866
Net cash provided by (used in) investing activities	(10,451)	2,907
Cash Flows from Financing Activities:		
Payments on long-term real estate mortgage	(77)	(101)
Net increase (decrease) in short-term revolving credit agreements	2,509	(4,392)
Net decrease in long-term credit agreements	(126)	(1,940)
Employee stock purchase plan purchases	185	0
Exercise of stock options and related tax benefit	400	1,291
Purchase of treasury stock	(20,638)	0
Net cash used in financing activities	(17,748)	(5,142)
Effect of exchange rates on cash and cash equivalents	(43)	450
Net increase (decrease) in cash and cash equivalents	(110)	15,408
Cash and cash equivalents at beginning of period	56,319	21,766
Cash and cash equivalents at end of period	$56,209	$37,174
Supplemental disclosures of cash flow information:		
Net decrease in cash and cash equivalents, discontinued operations	$ (1,370)	$ (2,111)
Net increase in cash and cash equivalents, continuing operations	$ 1,260	$ 17,519
Increase (decrease) in net debt	$ 2,416	$(21,841)
Interest paid	$ 1,858	$ 797
Income taxes paid (refunded)	$ 8,629	$ (7,512)

7. Net Income Per Share

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" No 128, "Earnings Per Share." Basic EPS is computed by dividing reported earnings available to stockholders by weighted average shares outstanding. Diluted EPS includes the effect of other common stock equivalents.

	October 2 1999	April 3, 1999
	(in thousands)	
Raw materials	$14,023	$14,497
Work-in-process	8,055	5,106
Finished goods	37,461	40,170
	$59,539	$59,773

	For the three months ended	
	October 2, 1999	October 3, 1998
Basic EPS		
Net Income	$ 5,732	$ 5,295
Weighted Average Shares	26,182	26,614

Basic income per share	$ .219	$ .199
Diluted EPS		
Net Income	$ 5,732	$ 5,295
Basic Weighted Average shares	26,182	26,614
Effect of Stock options	288	218
Diluted Weighted Average shares	26,470	26,832
Diluted income per share	$ .217	$ .197

8. Discontinued Operations

During fiscal year 1999, the Company sold six of its seven regional blood systems for total cash proceeds of $5,325,000. Additionally, on May 2, 1999, the Company sold its one remaining center completing the divestiture of its BBMS business. As of October 2, 1999, the Company completed its accounting for the divestiture with the write-off of the excess reserve of $144,000, net of taxes of $68,000.

The operating results for BBMS have been segregated from the results for the continuing operations and reported as a separate line on the consolidated statements of operations for all periods presented. For t months ended October 2, 1999, the operating loss for BBMS of $403 was charged to the discontinued operations provision established in the fourth quarter of fiscal year 1998.

The operating losses, in thousands, for BBMS are detailed as follows for six months ending:

	For the six months ended	
	October 2, 1999	October 3, 1998
Basic EPS		
Net Income	$11,705	$10,195
Weighted Average Shares	26,455	26,599
Basic income per share	$ 442	$ .383
Diluted EPS		
Net Income	$11,705	$10,195
Basic Weighted Average shares	26,455	26,599
Effect of Stock options	183	130
Diluted Weighted Average shares	26,638	26,729
Diluted income per share	$ .439	$ .381

Other income(expense) included an allocation of corporate interest expense of approximately $88,000 for the six months ended October 3, 1998. No interest was allocated for the six months ended October 2, 1999 as all blood centers have been divested effective May 1999. The allocation of corporate interest was calculated based upon the percentage of net assets of BBMS to total domestic assets.

The were no BBMS net assets included in the consolidated balance at October 2, 1999. The net assets of BBMS at April 3, 1999 were as follows:

	October 2 1999	October 3, 1998
	(in thousands)	
Net Revenues	$ 413	$11,292
Gross Profit	(24)	313
Operating expenses:		
Research and Development	0	0
Selling, general and administrative	569	5,450
Total operating expenses	569	5,450
Operating loss	(593)	(5,137)
Other expense	--	(134)
Tax benefit	(190)	(1,845)
Net loss	(403)	(3,426)
Operating loss (net of taxes) charged to reserve	403	3,339
Recovery of remaining reserve	144	--
Reflected on Consolidated Statement of Operations	$ 144	$ (87)

9. SEGMENT, GEOGRAPHIC AND CUSTOMER INFORMATION

Segment Definition Criteria

The Company manages its business on the basis of one operating segment: the design, manufacture and marketing of automated blood processing systems. Haemonetics chief operating decision-maker uses consolidate results to make operating and strategic decisions. Manufacturing processes, as well as the regulatory environment in which the company operates, are largely the same for all product lines.

Product and Service Segmentation

The Company's principal product offerings include blood bank, surgical and plasma products.

The blood bank products comprise machines and single use disposables that perform "apheresis," the separation of whole blood into its components and subsequent collection of certain components. The device use blood component therapy is the MCS®+, mobile collection system.

Surgical products comprise machines and single use disposables that perform intraoperative autologous transfusion ("IAT") or surgical blood salvage as it is more commonly known. Surgical blood salvage is a pr whereby shed blood is cleansed and then returned back to a patient. The devices used to perform this are a full line of Cell Saver® autologous blood recovery systems.

Plasma collection products are machines and disposables that, like blood bank, perform apheresis for the separation of whole blood components and subsequent collection of plasma. The device used in automated collection is the PCS®2.

Three months ended (in thousands)

	April 3 1999 (in thousands)
Current Assets	$1,128
Net property, plant and equipment	1,075
Other assets	129
Total assets	$2,332
Current liabilities and accrued losses	$4,396
Other long-term liabilities	1,350
Total liabilities	$5,746

Six months ended (in thousands)

October 2, 1999	Blood Bank	Surgical	Plasma	Other	Total
Revenues from external customers	28,451	15,124	21,616	3,003	68,194
October 3, 1998					
Revenues from external customers	29,603	14,163	20,862	3,159	67,787

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

Results of **C**ontinuing **O**perations

The table outlines the components of the consolidated statements of income for continuing operations as a percentage of net revenues:

October 2, 1999	Blood Bank	Surgical	Plasma	Other	Total
Revenues from external customers	57,502	30,975	43,300	5,539	137,316
October 3, 1998					
Revenues from external customers	59,255	30,994	42,600	6,934	139,783

Three Months Ended October 2, 1999 Compared to Three Months Ended October 3, 1998

Net Revenue Summary

(in thousands)

	Percentage of Net Revenues Three Months Ended Oct 2, 1999	Percentage of Net Revenues Three Months Ended Oct 3, 1998	Percentage Incr/(decr) Three Months Ended 1999/98
Net revenues	100.0%	100.0%	0.6%
Cost of goods sold	53.6	53.1	1.5
Gross Profit	46.4	46.9	(0.4)
Operating Expenses:			
Research and development	5.6	4.9	13.7
Selling, general and administrative	30.1	30.3	(--)
Total operating expenses	35.7	35.2	1.9
Operating income	10.7	11.7	(7.3)
Interest expense	(1.5)	(1.5)	1.9
Interest income	1.8	1.6	16.4
Other income	1.0	0.4	182.5
Income from continuing operations before provision for income taxes	12.0	12.1	.3
Provision for income taxes	3.8	4.2	(8.3)
Earnings from continuing operations	8.2%	7.9%	4.9%

* *Includes red cell disposables*

Three months ended October 2, 1999 compared to three months ended October 3, 1998

Net Revenues

Net revenues in 1999 increased 0.6% to $68.2 million from $67.8 million in 1998. With currency rates held constant, net revenues increased 1.1% from 1998 to 1999. Disposable sales increased approximately 3.2% year over year at actual rates. With currency rates held constant, disposable sales increased 4.2%. The 4.2% increase was a result of growth in all three product lines, worldwide surgical 7.8%, worldwide blood bank currency sales of disposable products, excluding service and other miscellaneous revenue, accounted for approximately 91% and 89% of net revenues for 1999 and 1998, respectively. Service generated from equipment re maintenance contracts or emergency service billings and miscellaneous revenues accounted for approximately 4.1% and 4.6% of the Company's net revenues, at constant currency, for 1999 and 1998, respectively. Equipme % from $4.6 million in 1998. With currency rates held constant, equipment revenues decreased 31.8% from 1998 to 1999. The 31.8% decrease was a result of decreased equipment revenues in all three product lines with the blood bank business in Europe. International sales as reported accounted for approximately 68% of net revenues for both 1999 and 1998.

Gross profit

Gross profit of $31.6 million in 1999 decreased $0.2 million from $31.8 million 1998. At constant currency rates gross profit, as a percent of sales, increased by 0.7% and increased in dollars by $0.8 million from 1998 to 1999. The Company's Customer Oriented Redesign for Excellence or CORE Program contributed approximately $0.4million directly to this improvement in gross profit through labor savings.

Expenses

The Company expended $3.7 million (5.6% of net revenues) on research and development in 1999 and $3.3 million (4.9% of net revenues) in 1998. At constant currency rates, research and development as a percent sales increased slightly by 0.3% and increased in dollars by $0.2 million from 1998 to 1999.

Selling, general and administrative expenses remained flat at $20.5 million from 1998 to 1999. At constant currency rates, selling, general and administrative expenses decreased $0.2 million from 1998 to 1999 decreased 0.6% as a percent of sales from 1998 to 1999. The CORE Program contributed approximately $0.3 million to reductions in distribution related selling, general and administrative expenses.

Operating Income

Operating income, as a percentage of net revenues, decreased 1.0 percentage points to 10.7% in 1999 from 11.7% in 1998. At constant currency rates, operating income, as a percent of sales, increased 1.0% from 1998 or $0.8 million. The $0.8 million increase in operating income resulted from gross profit improvement and continued operating expense control.

Other Income and Expense

Interest expense was relatively unchanged from 1998 to 1999. Interest income increased $0.2 million from 1998 to 1999 due to both higher average cash balances and higher average yields. Other income increased $0.4 million due primarily to increases in income earned from points on forward contracts and increases in actual transaction gains.

Taxes

The provision for income taxes, as a percentage of pretax income, was lowered by the Company from 35.0% in 1998 to 32.0% in 1999. The Company expects the provision rate to remain at 32.0% for the full 12 mont of fiscal 2000. Contributing to the decrease in the tax rates was a decrease in the Japanese statutory tax rate, the allocation of income between jurisdictions and greater utilization of foreign sales corporation b

Six *Months Ended October 2, 1999 Compared to Six Months Ended October 3, 1998*

			Percent Increase / (Decrease)	
	1999	**1998**	**Actual dollars as reported**	**At constant currency**
By geography:				
United States	$22,026	$21,409	2.9 %	2.9%
International	46,168	46,378	(0.5)	0.3
Net revenues	$68,194	$67,787	0.6 %	1.1%

			Percent Increase / (Decrease)	
	1999	**1998**	**Actual dollars as reported**	**At constant currency**
By product type:				
Disposables	$61,985	$60,065	3.2%	4.2%
Misc & service	3,003	3,158	(4.9)	(9.4)
Equipment	3,206	4,564	(29.8)	(31.8)
Net revenues	$68,194	$67,787	0.6%	1.1%

			Percent Increase / (Decrease)	
	1999	**1998**	**Actual dollars as reported**	**At constant currency**
Disposables				
By product line:				
Surgical	$13,649	$12,601	8.3%	7.8%
Blood bank*	26,828	26,850	(0.1)	1.1
Plasma	21,508	20,614	(4.3)	6.0
Disposable revenues	61,985	60,065	3.2%	4.2%

Six Months Ended October 2, 1999 Compared to Three Months Ended October 3, 1998

Net Revenue Summary

(in thousands)

	Percentage of Net Revenues		**Percentage Incr/(decr)**
	Six Months Ended		**Six Months Ended**
	Oct 2, 1999	**Oct 3, 1998**	**1999/98**
Net revenues	100.0%	100.0%	(1.8)%
Cost of goods sold	53.1	51.5	1.1
Gross Profit	46.9	48.5	(4.8)
Operating Expenses:			
Research and development	5.4	5.1	(3.9)
Selling, general and administrative	30.0	32.5	(9.1)
Total operating expenses	35.4	37.6	(7.3)
Operating income	11.5	10.9	3.7
Interest expense	(1.5)	(1.4)	2.8
Interest income	1.7	1.5	9.7
Other income	.7	0.3	98.7
Income from continuing operations before			
provision for income taxes	12.4	11.3	7.5
Provision for income taxes	4.0	3.9	(1.7)
Earnings from continuing operations	8.4%	7.4%	12.4%

* *Comparable Basis Adjustments*

Adjustments made for comparison purposes only were as follows:

All Profit and Loss Statement Items

To make 1998 comparable with 1999, the additional (14th) week in Q1 of 1998 was removed.

Operating Expenses

To make 1998 comparable with 1999, the settlement cost relating to litigation included in SG&A expenses in Q1 of 1998 was removed.

** Includes red cell disposables

Net Revenues

Net revenues in 1999 decreased 1.8% to $137.3 million from $139.8 million in 1998. With currency rates held constant and reflected on a comparable basis, net revenues increased 4.5% from 1998 to 1999. Disposa sales decreased approximately 0.3% year over year at actual rates. With currency rates held constant, disposable sales on a comparable basis increased 6.4%. The 6.4% increase was a result of growth in all three pro worldwide blood bank 5.9% and worldwide plasma 6.2%. Constant currency sales of disposable products on a comparable basis, excluding service and other miscellaneous revenue, accounted for approximately 91% and 89% respectively. Service generated from equipment repairs performed under preventive maintenance contracts or emergency service billings and miscellaneous revenues accounted for approximately 3.9% and 4.9% of the Comp for 1999 and 1998, respectively. Equipment revenues decreased approximately 7.7% from $8.3 million in 1998. With currency rates held constant and reflected on a comparable basis, equipment revenues decreased 6.4% y reported accounted for approximately 68% of net revenues for both 1999 and 1998.

Gross profit

Gross profit of $64.5 million in 1999 decreased $3.2 million from $67.7 million in 1998. At constant currency rates and with gross profit reflected on a comparable basis, gross profit as a percent of sales increased by 0.2% and increased in dollars by $3.1 million from 1998 to 1999. The Company's Customer Oriented Redesign for Excellence or CORE Program contributed approximately $0.8 million to gross profit improveme

Expenses

The Company expended $7.4 million (5.4% of net revenues) on research and development in 1999 and $7.1 million (5.1% of net revenues) in 1998. At constant currency rates and with research and development refle on a comparable basis, research and development as a percent of sales decreased slightly by 0.1% and increased slightly in dollars by $0.2 million from 1998 to 1999.

Selling, general and administrative expenses were $41.3 million in 1999, representing 30.0% of net revenues and a 2.5 percentage point reduction year over year from 1998 to 1999. At constant currency rates an reflected on a comparable basis, selling, general and administrative expenses increased $0.6 million, but decreased 0.9% as a percent of sales from 1998 to 1999. The CORE Program contributed approximately $0.9 mill prior year selling, general and administrative expenses through reductions in distribution costs.

Operating Income

Operating income as a percentage of net revenues increased .6% to 11.5% in 1999 from 10.9% in 1998. At constant currency rates and reflected on a comparable basis, operating income, as a percent of sales, increased 1.1% from 1998 or $2.3 million. The $2.3 million increase in operating income resulted mainly from the gross profit improvement.

Other Income and Expense

Interest expense was relatively unchanged from 1998 to 1999. Interest income increased $0.2 million from 1998 to 1999 due to both higher average cash balances and higher average yields. Other income increased $0.5 million due primarily to increases in income earned from points on forward contracts and increases in transaction gains.

Taxes

The provision for income taxes, as a percentage of pretax income, was lower by 3.0 % from 35.0% in 1998 to 32.0% in 1999. The Company expects the provision rate to remain at 32.0% for the full 12 months of fi 2000. Contributing to the decrease in the tax rates was a decrease in the Japanese statutory tax rate, the allocation of income between jurisdictions and greater utilization of foreign sales corporation benefits.

Results of **D**iscontinued **O**perations (Blood Bank Management Services, "BBMS")

Accounting for the divestiture of all BBMS centers effective May 1999, was completed during the second quarter of 1999 with the recovery of the excess reserve amounting to $144,000 (net of $68,000 of taxes).

Liquidity and **C**apital **R**esources

The Company has satisfied its cash requirements principally from internally generated cash flow and borrowings. The Company's need for funds is derived primarily from capital expenditures, other investments, repurchases, new business development and working capital.

During the six months ended October 2, 1999, the Company decreased its cash balances, before the effect of exchange rates, by $0.1 million from operating, investing and financing activities which represents a decrease of $15.1 million from the $15.0 million generated by the Company's operating, investing and financing activities during the six months ended October 3, 1998. The decrease was largely a result of $13.4 mill investing activities and $12.6 utilized by the Company's financing activities offset by $10.9 million of additional cash provided by the Company's operating activities.

Operating Activities:

The Company generated $33.1 million in cash from operating activities of continuing operations in 1999 as compared to $25.2 million generated during 1998. The $7.9 million increase in operating cash flow from continuing operations was a result of $3.9 million increase in net income adjusted for non cash items, a $5.6 million decrease in accounts receivable; a $5.6 million decrease in inventory as seen in the improved di a short-term sales-type lease reduction of $2.4 and a $2.9 million decrease in other assets. These increased sources of cash were offset by a $7.1 million change to the prepaid income tax account due to 1998 refund million decrease in accounts payable, accrued expenses (including $4.5 million reduction in accrued income taxes) and other current liabilities.

During 1999, the Company's discontinued operations utilized $4.9 million in operating cash flows, a decrease of $3.1 million over the $8.0 million of uses in 1998.

Investing Activities

The Company utilized $14.0 million in cash for investing activities from continuing operations in 1999, an increase of $11.1 million from the $2.9 million utilized in 1998. During the six months ended October 1999, the Company incurred $16.9 million in capital expenditures net of retirements and disposals. Included in this amount is a $1.2 million net investment in long-term demonstration assets. During the six months e utilized $7.7 million for capital expenditures net of retirements and disposals, including $1.8 million of net retirements for long-term demonstration assets. Finally, the Company reduced its investment in long-ter the first six months of 1999, compared with decreased investment of $4.8 million during the first six months of 1998.

During the six months ended October 2, 1999, discontinued operations provided $3.6 million in cash. This reflects a decrease in the capital asset accounts of $2.3 million compared to the $5.9 million increase the six months ended October 3, 1998.

Financing Activities:

During the six months ended October 2, 1999, the Company's net debt increased $2.4 million, a $24.3 million increase as compared to the six months ended October 3, 1998. This $24.3 million increase resulted f the operating and investing activities in 1999 which provided $2.4 million less cash than in 1998, and the Company's repurchase in 1999 of 1.1 million shares of common stock for its treasury for $20.6 million. Futu the availability of shares at acceptable price levels and compliance with restrictive covenants in the Company's financing agreements.

At October 2, 1999, the Company had working capital of $155.9 million. This reflects an increase of $15.6 million in working capital for the six months ended October 2, 1999. The Company believes its source cash are adequate to meet its projected needs.

Recent Accounting Pronouncements

In June 1998, FASB issued SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities." SFAS No. 133 establishes accounting and reporting standards requiring that every derivative instrument (including certain derivative instruments embedded in other contracts) be recorded in the balance sheet as either an asset or liability measured at its fair value. The SFAS No. 133 requires that changes in the deri currently in earnings unless specific hedge accounting criteria are met. Special accounting for qualifying hedges allows a derivative's gains and losses to offset related results on the hedged item in the income st forecasted probable transaction, a derivative's gains and losses are included in other comprehensive income until the transaction is consummated. Additionally, a company must formally document, designate, and asses receive hedge accounting. SFAS No. 133 is effective for fiscal years beginning after June 15, 2000. A company may implement SFAS No. 133 as of the beginning of any fiscal quarter after issuance. SFAS No. 133 cannot adopting SFAS No. 133 on the Company's financial statements or the timing of adoption of SFAS No. 133 have not been determined. However, it is expected that the derivative financial instruments acquired in connecti will continue to qualify for hedge accounting.

Cautionary Statement Regarding Forward-Looking Information

Statements contained in this report, as well as oral statements made by the Company that are prefaced with the words "may," "will," "expect," "anticipate," "continue," "estimate," "project," "intend," "design and similar expressions, are intended to identify forward looking statements regarding events, conditions and financial trends that may affect the Company's future plans of operations, business strategy, results of statements are based on the Company's current expectations and estimates as to prospective events and circumstances about which the Company can give no firm assurance. Further, any forward-looking statement speaks statement is made, and the Company undertakes 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 predic forward-looking statements should not be relied upon as a prediction of actual future financial condition or results. These forward-looking statements, like any forward-looking statements, involve risks and uncerta differ materially from those projected or unanticipated. Such risks and uncertainties include technological advances in the medical field and the Company's ability to successfully implement products that incorporat market acceptance of the Company's products, regulatory uncertainties, the effect of economic conditions, the impact of competitive products and pricing, foreign currency exchange rates, changes in customers' order in markets outside the U.S. (including Europe and Asia) in which the Company operates, and the implications of Year 2000 including but not limited to the cost and expense of updating software and hardware and any p foregoing list should not be construed as exhaustive.

Year 2000 Compliance Update

Haemonetics is aware of the potential for industry wide business disruption that could occur due to problems related the "Year 2000" issue. It is the belief of Haemonetics Management that the Company has a prudent plan in place to address these issues within the Company and its supply chain. The components of its plan include: an assessment of internal systems for modification and/or replacement; communication with e of readiness and their ability to maintain an uninterrupted supply of goods and services to Haemonetics; an evaluation of equipment sold by Haemonetics to customers as to the ability of the equipment to work proper evaluation of production equipment as to its ability to function properly after the turn of the century; an evaluation of facility related issues; the retention of technical and advisory expertise to ensure that pr the development of a contingency plan.

State of Readiness

Haemonetics has implemented a comprehensive plan to reduce the probability of operational difficulties due to Year 2000 related failures. Haemonetics believes that it has completed the inventory and remediati of systems and non-systems related Year 2000 exposures. The Company is developing a detailed contingency plan and will remediate any new issues that are identified.

Internal Systems (IT)

The process Haemonetics is following to achieve Year 2000 compliance for internal IT systems is as follows:

1. Develop an inventory of all IT components (hardware, software)

2. Determine the Year 2000 compliance status of each

3. Determine the importance of Year 2000 compliance for each component (implications of failure)

4. Prioritize non-compliant components based on importance

5. Determine method to be used to achieve compliance for each component (modify, replace, cease use)

6. Complete the planned action

7. Test the component

The inventory of all IT components in use throughout the Company has been completed. The assessment of Year 2000 status for all components has been completed. Fifteen systems, all commercial packages, are use company-wide for business transaction processing and accounting. In addition, the Company identified 326 other business applications in use by the Company that are less critical. At this time the Company is not awa affected by the Year 2000 issue and which is not compliant. The Company has completed an assessment of its 1,019 pieces of IT infrastructure (servers, networks, phone systems, system software). At this time the Com infrastructure which is affected by the Year 2000 issue and which is not compliant. Once the Company completes a test of one remaining subsidiary system, it will have completed simulation testing for all critical c applications. This test is currently scheduled for mid-November.

Suppliers

The Company has communicated with its external vendors of goods and services to gain an understanding of their state of Year 2000 readiness and their ability to maintain an uninterrupted supply to Haemonetics. The Company sent letters to over 1,000 vendors outlining its approach towards the Year 2000 issue and asking for the vendors' commitment to resolve any issues they may have. They were also asked to complete a short questionnaire and to inform us c compliance issues. The Company has received many responses to the questionnaire and has reviewed them. The Company sent a detailed questionnaire to vendors it views as critical to its business. A critical vendor is one whose inability to contin provide goods and services would have a serious adverse impact on the Company's ability to produce, deliver, and collect payment for Haemonetics goods and/or services. Haemonetics has visited and audited several of these critical vendors to val statements regarding Year 2000 readiness.

Production Equipment

The Company completed an inventory of production equipment currently used at Haemonetics. The Year 2000 readiness of this equipment was determined through communication with the equipment manufacturers and te appropriate. Through this inventory and assessment process the Company identified fewer than 10 pieces of equipment with Year 2000 issues. All production equipment, which has been identified as not Year 2000 compli At this time the Company is not aware of any production equipment whose current or anticipated use is affected by the Year 2000 issue and which is not compliant. In the event that any Year 2000 issues are identifie intention to continue to repair or replace non-compliant production equipment prior to operating difficulties, or develop alternative means of operation. Haemonetics remains aware of the potential for imbedded logi failure. The Company believes that its action plan provides a sound approach towards evaluating production equipment, however, it may be impracticable or impossible to test certain items of production equipment for untested equipment is not Year 2000 ready, it may fail to operate on January 1, 2000, resulting in possible production delays.

Facility Related Issues

The Company completed an inventory and evaluation of facilities related equipment such as security, heating, elevator, telephone and other service equipment with the potential for Year 2000 related failures. 2000 readiness of this equipment was determined through communication with the equipment manufacturers and testing where appropriate. At this time the Company is not aware of any facilities related equipment which which is not compliant. The Company remains aware of the potential for imbedded logic within microchips to cause equipment failure. The Company believes that its action plan provides a thorough approach towards eva however, it may be impracticable or impossible to test certain items of facilities related equipment for Year 2000 readiness. To the extent such untested equipment is not Year 2000 ready, it may fail to operate on possible interruptions of security, heating, elevator, telephone and other services.

Technical and Advisory Expertise

Haemonetics engaged a leading professional services and consulting firm experienced in Year 2000 compliance to assist in project planning, testing methodologies, and evaluating its Year 2000 remediation activ firm is also contributing to the development and documentation of the contingency plan.

Haemonetics Products

The Company makes products in two major categories: blood processing equipment and the single use disposables that are used in this equipment for each procedure. The disposables have no date related functions lot numbering and expiry dating printed on the packaging. The equipment itself does not rely on date related data for its mechanical function. There is no calendar-related logic in the Haemonetics software that con Company has undertaken a detailed review of hardware components and software code for the current revisions of all products. At this time the Company is not aware of any issues related to equipment it sells which w continuing their operations or which would impact the safety of patients or donors in any way.

Costs

At this time the Company estimates that the total cost of completing Year 2000 related activities will be $3 million. This amount includes both IT and non-IT related expenses. Of this amount, approximately 95 has already been spent representing 30% of the total IT budget during the spending period. Approximately 35% of the spending to date has been on capital investments. The Company anticipates capital expenditures to and expense to total $1.7 million. This amount includes the replacement of hardware and applications that were outdated and due for replacement regardless of Year 2000 issues.

Contingency Plan

Although the Company believes it has taken appropriate action related to the identification and resolution of issues related to the Year 2000, it may never know with certainty whether third parties in the Company's supply chain, especially those outside the United States are compliant. Failure of such third parties to achieve Year 2000 compliance could result in delayed deliveries to or shipments by the Company. If a material adverse effect on the Company's business, financial condition, and results of operations.

The Company assessed its state of readiness considering its unique set of business partners, production processes, and internal systems. Based on this assessment the Company has taken steps to ensure that evi reasonably probable failures are unlikely to occur. To further alleviate the impact from unforeseen or uncontrollable failures the Company is developing a highly detailed, action oriented, contingency plan. When th action steps for a variety of failure scenarios and will cover every Company location worldwide. In developing the contingency plan the Company is considering six failure scenarios involving: machinery, transportat telecommunications and information technology. The Plan will include three phases of action: (1) those which will take place prior to January 1, 2000, (2) testing and validation activities during the critical peric 2000, and (3) activities after January 3, 2000 in the event of failure. In developing the contingency plan the Company is considering six failure scenarios involving: machinery, transportation, banking, power and w technology. The company will consider simulation testing of key components of the plan during December 1999.

Components of the contingency plan already in place include increasing inventory of raw materials and finished goods through December 1999, and moving the end of the fiscal third quarter from January 1, 2000 December 25, 1999. The change in quarter-end is being made to afford more time to focus worldwide Information Technology and other company resources on non-financial system Year 2000 issues, mindful of the Company' and communications to customers on a timely basis during and after January 1, 2000. This action will help to insure a timely financial closing and communication of third quarter results to shareholders.

Risks

The Company continues to evaluate the risks associated with potential Year 2000 related failures. The failure to correct a material Year 2000 problem could result in an interruption in, or a failure of, certa normal business activities or operations. Such failures could materially and adversely affect the Company's business, financial condition, and results of operations. Due to the general uncertainty inherent in the Y the uncertainty of the Year 2000 readiness of third-parties, the Company is unable to determine at this time whether the consequences of Year 2000 failures will have a material impact on the Company's business, fir operations. The Company's Year 2000 project is expected to significantly reduce the Company's level of uncertainty about the Year 2000 problem and, in particular, about the Year 2000 compliance and readiness of its that, with the implementation of new business systems and completion of the Company's Year 2000 project as scheduled, the possibility of significant interruptions of normal operations should be reduced.

Euro Currency

Effective January 1, 1999, 11 of the 15 countries in the European Union (Austria, Belgium, Finland, France, Germany, Holland, Ireland, Italy, Luxembourg, Portugal and Spain) adopted a single currency known as Euro. For the next three years, these countries will be allowed to transact business in both the Euro and in their own currencies at fixed exchange rates. Beginning on July 1, 2002, the Euro will become the only cu

Operations in Europe

The introduction of the Euro may have a significant impact on the Company's operations. The Company has 10 subsidiaries located throughout Europe, that generate one-third of its sales.

State of Readiness

The Company has formed a Euro Steering Committee (the "Committee") to address all issues related to the Euro. This Committee is now preparing a detailed action plan which will cover all areas of concern inclu information systems, finance, tax, treasury, legal, marketing and human resources.

As a part of the detailed action plan, a comprehensive questionnaire was distributed to all of the Company's European subsidiaries to gain a better understanding of the impact of the Euro currency in each location. questionnaires are being analyzed and specific action plans are being developed for each subsidiary.

Date of conversion

The target date for conversion of the Company's local and corporate information systems to the Euro is April 2, 2001, which is the first day of the Company's fiscal year 2002.

Business activities

Although the introduction of the Euro will likely result in greater transparency of pricing throughout Europe, it is anticipated that these changes will have little impact on Haemonetics. The Company's produc are heavily regulated by organizations specific to each country and as a result, transactions between countries are infrequent.

Information systems

The Company is aware that the Euro conversion will create technical challenges to adapt information technology and other systems to accommodate Euro-denominated transactions. The Committee is in the process of identifying all systems and determining their state of Euro readiness. The cost of adapting these systems is not yet known, but the Company does not believe it to be significant.

The plan is to test all systems during the first two quarters of Fiscal Year 2001.

Accounting, Finance & Treasury

At the point the Company adopts the Euro, it expects to experience the benefits of simplified hedging, banking and financial transaction systems.

The Corporate local currency bank accounts have been consolidated to a single Euro account. Each subsidiary will maintain bank accounts, which are capable of processing transactions in both the local currency Euro. The transactions between the local currency accounts and Euro accounts throughout Europe do not result in any additional expense for the company.

Tax

It is expected that some of the European countries will allow costs related to the introduction of the Euro to be fully deductible. Additionally, it is anticipated that most countries will allow tax relief by means of a one-time depreciation or amortization charge related to assets utilized in the Euro conversion.

Legal

The EU has adopted regulations precluding a party from using the Euro conversion as the reason for breaching or changing its contractual obligations, unless the other parties to the contract are in agreement. Company is now in the process of identifying any contracts between the Company and parties outside the USA, which fall under these regulations. At this point, the Company is not aware of substantial risk related to

The conversion to Euro on April 2, 2001 will result in the conversion of the share capital of the 6 subsidiaries within the EMU. The amount of the converted share capital must be modified in order to eliminat amounts and decimals resulting from the conversion. The Committee is in the process of identifying the new amounts of the share capital, the requested minimum capital requirements issued by the EU, the number of sh changes such as meetings of the subsidiary board of directors, shareholder meetings, and changes in by-laws. The Company anticipates that all required changes will be completed during fiscal year 2001. The Company resulting from the share capital conversion.

Human Resources

The Committee has decided not to rewrite the existing employee contracts in subsidiaries located in the EMU, but rather, to give a letter to each employee which will form an integrated part of the existing employee contract. This letter will indicate the salary amount in Euro, as well as provide general information about the Euro. The effective date of this letter will be April 2, 2001.

An Euro contact person responsible for organizing regular employee updates and for communicating the company-wide progress of the Euro implementation has been identified at each European subsidiary.

Costs

Although the total cost of the Euro conversion has not yet been quantified, the Company does not believe that the total cost will be significant or have a material impact on its business, results of operation financial position or cash flows.

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

Over two-thirds of the Company's revenues are generated outside the U.S. yet the Company's reporting currency is the U.S. dollar. Foreign exchange risk arises because the Company engages in business in foreig countries in local currency. Exposure is partially mitigated by producing and sourcing product in local currency. Accordingly, whenever the US dollar strengthens relative to the other major currencies, there is an of operations and alternatively, whenever the U.S. dollar weakness relative to the other major currencies, there is a positive effect on the Company's results of operations.

It is the Company's policy to minimize for a period of time, the unforeseen impact on its results of operations of fluctuations in foreign exchange rates by using derivative financial instruments known as for contracts to hedge the majority of its firm sales commitments to customers that are denominated in foreign currencies. The Company also enters into forward contracts that settle within 35 days to hedge certain inte foreign currencies. Actual gains and losses on all forward contracts are recorded in operations, offsetting the gains and losses on the underlying transactions being hedged. These derivative financial instruments a Company's primary foreign currency exposures in relation to the U.S. dollar are the Japanese Yen and the Euro equivalent of the French Franc, Deutsche Mark and Italian Lire.

The Company has the following significant foreign exchange contracts to hedge certain firm sales commitments denominated in foreign currency outstanding:

			Percent Increase / (Decrease)	
				On a comparable* basis at constant
	1999	**1998**	**Actual dollars as reported**	**currency**
<u>*By geography:*</u>				
United States	$ 44,546	$ 44,422	0.3 %	4.1%
International	92,770	95,361	(2.7)	4.6
Net revenues	$137,316	$139,783	(1.8)%	4.5%

			Percent Increase / (Decrease)	
				On a comparable* basis at constant
:	**1999**	**1998**	**Actual dollars as**	**currency**

			reported	
By product type				
Disposables	$124,104	$124,535	(0.3)%	6.4 %
Misc & service	5,539	6,933	(20.1)	(17.5)
Equipment	7,673	8,315	(7.7)	(6.4)
Net revenues	$137,316	$139,783	(1.8)%	4.5%

			Percent Increase / (Decrease)	
				On a comparable* basis at constant
	1999	**1998**	**Actual dollars as reported**	**currency**
Disposables				
By product line:				
Surgical	$ 28,213	$ 27,509	2.6%	7.9%
Blood bank**	53,878	54,841	(1.8)	5.9
Plasma	42,013	42,185	(0.4)	6.2
Disposable revenues	$124,104	$124,535	(0.3)%	6.4%

* *Includes forward points.*

The Company estimated 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 fair value of all forward contracts would increase by $10.5 million. Assuming a 10% weakening of the U.S. dollar relative to all other major currencies, the fair value by $12.2 million.

Interest Rate Risk

Approximately 93%, of the Company's long-term debt is at fixed rates. Accordingly, a change in interest rates has an insignificant effect on the Company's interest expense amounts. The fair value of the Company's long-term debt however would change in response to interest rates movements due to its fixed rate nature. At October 2, 1999, the fair value of the Company's long-term debt was approximately $ 1.2 reflected on the Company's financial statements. This higher fair market is primarily related to the $40 million, 7.05% fixed rate senior notes the Company holds. These notes represent approximately 76% of the Comp October 2, 1999.

Using scenario analysis, the Company changed the interest rate on all long-term maturates by 10% from the rate levels, which existed at October 2, 1999. The effect was a change in the fair value of the Company's long-term debt, of approximately $1.6 million.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable.

Item 2. Changes in Securities

Not applicable.

Item 3. Defaults upon Senior Securities

Not applicable.

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

The Annual Meeting of Stockholders of the Company was held on July 27, 1999. At the meeting, James L. Peterson and Benjamin L. Holmes were reelected as directors for terms ending in 2002. The voting results were as follows:

Hedged Currency	(BUY) / SELL Local Currency	Weighted Forward Contract Rate*	US$ @ Forward Rate	Unrealized Gain / (Loss)	Maturity
Euro Equivalent	8,620,513	$1.213	$ 8,867,347	$1,588,051	Oct-Dec 1999
Euro Equivalent	7,500,000	$1.146	$ 7,945,700	$ 645,550	Jan-Mar 2000
Euro Equivalent	7,500,000	$1.054	$ 9,493,600	($1,587,450)	Apr-Jun 2000
Euro Equivalent	7,200,000	$1.077	$ 7,722,880	$ 34,280	Jul-Sep 2000
Euro Equivalent	7,500,000	$1.108	$ 8,081,750	$ 225,750	Oct-Dec 2000
Japanese Yen	1,970,000,000	126.9 per US$	$18,359,160	($2,831,381)	Oct-Dec 1999
Japanese Yen	1,670,000,000	125.4 per US$	$15,768,938	($2,455,123)	Jan-Mar 2000
Japanese Yen	1,850,000,000	117.3 per US$	$17,727,420	($1,952,940)	Apr-Jun 2000
Japanese Yen	1,975,000,000	111.9 per US$	$19,199,019	($1,550,403)	Jul-Sep 2000
Japanese Yen	2,075,000,000	99.7 per US$	$20,484,786	$ 336,076	Oct-Dec 2000

The other members of the Board of Directors whose terms continued after the meeting were: Serving a term ending in 2000: Sir Stuart Burgess, Jerry E. Robertson, Ph.D., Colin Lind; Serving a term Ending in 2001: Yutaka Sakurada, Donna C. E. Williamson, Harvey G. Klein, MD. Mr. Robertson departed the Board of Directors effective November 1, 1999.

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

	For	Withheld
James L. Peterson	24,235,412	43,400
Benjamin L. Holmes	24,236,299	42,513

Item 5. Other Information

None

Item 6. Exhibits and Reports on Form 8-K.

(a). Exhibits

The following exhibits will be filed as part of this form 10-Q:

Exhibit 27 Financial Data Schedule

(b). Reports on Form 8-K.

None

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.

For	Against	Abstain
24,270,403	2,981	5,428

6-MOS
APR-01-2000
OCT-02-1999
56,209
0
60,551
926
59,539
222,769
180,184
95,972
347,364
66,857
52,852
0
0
297
213,528
347,364
137,216
137,316
72,860
72,860
7,405
0
2,067
17,001
5,440
11,561
0
0
0
11,561
0.44
0.44

6-MOS
APR-03-1999
OCT-03-1998
37,174
0
61,223
755
67,698
207,284
172,503
91,399
342,657
66,929
51,461
0
0
294
210,220
342,657
139,783
139,783
72,049
72,049
7,129
0
2,011
15,819
5,537
10,282
(87)
0
0
10,195
0.38
0.38

HAEMONETICS CORPORATION

Date: November 11, 1999 By: s/ James L. Peterson

James L. Peterson, President and Chief Executive Officer

Date: November 11, 1999 By: s/ Ronald J. Ryan

Ronald J. Ryan, Sr. Vice President and Chief

Financial Officer, (Principal Accounting Officer)