FORM 10-Q

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

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

For the quarter ended: June 28, 2003   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 X__ No _____

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

Yes X__ No _____

The number of shares of $.01 par value common stock outstanding as of June 28, 2003: 24,083,164

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HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF INCOME
(Unaudited - in thousands, except share data)

	Three Months Ended	
	June 28, 2003	June 29, 2002
Net revenues	$88,283	$81,935
Cost of goods sold	48,697	43,288
Gross profit	39,586	38,647
Operating expenses:		
Research and development	4,997	4,939
Selling, general and administrative	26,403	24,016
Total operating expenses	31,400	28,955
Operating income	8,186	9,692
Interest expense	(786)	(877)
Interest income	283	441
Other income, net	103	563
Income before provision for income taxes	7,786	9,819
Provision for income taxes	2,803	3,044
Net income	$ 4,983	$ 6,775
Basic earnings per common share	$ 0.21	$ 0.27
Diluted earnings per common share	$ 0.21	$ 0.26
Weighted average shares outstanding		
Basic	24,063	25,318
Diluted	24,223	26,110

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	June 28, 2003	March 29, 2003
	(unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 50,190	$ 49,885
Accounts receivable, less allowance of $1,493 at June 28, 2003 and $1,449 at March 29, 2003	84,326	77,913
Inventories	64,178	65,805
Current investment in sales type leases, net	2,488	2,681
Deferred tax asset	17,520	17,307
Prepaid expenses and other current assets	12,523	9,664
Total current assets	231,225	223,255
Total property, plant and equipment	252,217	244,499
Less: accumulated depreciation	169,294	160,512
Net property, plant and equipment	82,923	83,987
Other assets:		
Investment in sales type leases, net (long term)	3,003	2,968
Other intangibles, less amortization of $4,218 at June 28, 2003 and $3,753 at March 29, 2003	26,082	26,339
Goodwill, net	16,234	16,010
Deferred tax asset, net	3,022	2,954
Other long term assets	3,694	3,695
Total other assets	52,035	51,966
Total assets	$366,183	$359,208
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities of long term debt	$ 38,633	$ 39,005
Accounts payable	14,759	13,677
Accrued payroll and related costs	12,196	11,930
Accrued income taxes	11,264	12,093
Other accrued liabilities	21,292	23,670
Total current liabilities	98,144	100,375
Long term debt, net of current maturities	31,502	31,612
Other long term liabilities	4,100	3,984
Stockholders' equity:		
Common stock, $0.01 par value; Authorized - 80,000,000 shares; Issued - 31,679,099 shares at June 28, 2003 and 31,664,849 shares at March 29, 2003	317	317
Additional paid in capital	108,806	108,770
Retained earnings	297,954	292,971
Accumulated other comprehensive loss	(9,961)	(13,486)
Stockholders' equity before treasury stock	397,116	388,572
Less: Treasury stock at cost - 7,595,935 shares at June 28, 2003 and 7,626,096 shares at March 29, 2003	164,679	165,335
Total stockholders' equity	232,437	223,237
Total liabilities and stockholders' equity	$366,183	$359,208

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 Shares	Common Stock $'s	Additional Paid in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Comprehensive Income
Balance, March 29, 2003	31,665	$317	$108,770	($165,335)	$292,971	($13,486)	$223,237	
Employee stock purchase plan			(202)	656			454	
Exercise of stock options and related tax benefit	14		238				238	
Net income					4,983		4,983	$4,983
Foreign currency translation adjustment						3,807	3,807	3,807
Unrealized loss on derivatives	---	---	---	---	---	(282)	(282)	(282)
Comprehensive income	---	---	---	---	---	---	---	$8,506
Balance, June 28, 2003	31,679	$317	$108,806	($164,679)	$297,954	($9,961)	$232,437	

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

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

	Three Months Ended	
	June 28, 2003	June 29, 2002
Cash Flows from Operating Activities:		
Net income	$ 4,983	$ 6,775
Adjustments to reconcile net income to net cash provided by operating activities:		
Non cash items:		
Depreciation and amortization	7,585	7,064
Deferred tax (benefit) expense	(95)	134
Tax benefit related to the exercise of stock options	3	356
Unrealized gain from hedging activities	(616)	(1,803)
Change in operating assets and liabilities:		
Increase in accounts receivable - net	(3,821)	(907)
Decrease (increase) in inventories	138	(7,394)
Decrease in sales-type leases (current)	278	153
Increase in prepaid income taxes	(907)	(229)
Increase in other assets and other long-term liabilities	(1,687)	(939)
(Decrease) increase in accounts payable and accrued payroll	855	(2,546)
(Decrease) increase in accrued taxes	(928)	1,792
Decrease in accrued expenses	(2,890)	(1,188)
Net cash provided by operating activities	2,898	1,268
Cash Flows from Investing Activities:		
Purchases of available-for-sale investments		(11,670)
Gross proceeds from sale of available-for-sale investments		44,306
Capital expenditures on property, plant and equipment, net of retirements and disposals	(2,127)	(2,762)
Performance milestone payment to acquired software development company	(1,020)	
Net decrease in sales-type leases (long-term)	90	270
Net cash (used in) provided by investing activities	(3,057)	30,144
Cash Flows from Financing Activities:		
Payments on long-term real estate mortgage	(101)	(93)
Net decrease in short-term revolving credit agreements	(943)	(498)
Employee stock purchase plan purchases	454	361
Exercise of stock options	235	1,560
Purchase of treasury stock	---	(26,032)
Net cash used in financing activities	(355)	(24,702)
Effect of exchange rates on cash and cash equivalents	819	383
Net increase in cash and cash equivalents	305	7,093
Cash and cash equivalents at beginning of period	49,885	34,913
Cash and cash equivalents at end of period	$50,190	$ 42,006
Non-cash investing and financing activities:		
Transfers from inventory to fixed assets for placements of Haemonetics equipment	$ 2,870	$ 3,133
Reclassifications from long-term credit agreements to short-term credit agreements	$ 0	$ 2,384
Supplemental disclosures of cash flow information:		
Interest paid	$ 1,219	$ 1,415
Income taxes paid	$ 4,482	$ 778

HAEMONETICS CORPORATION AND SUBSIDIARIES
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 month period ended June 28, 2003 are not necessarily indicative of the results that may be expected for the full fiscal year ending April 3, 2004. 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 March 29, 2003.

Certain amounts in the prior year financial statements have been reclassified to conform to the fiscal year 2004 presentation.

Our fiscal year ends on the Saturday closest to the last day of March. Fiscal year 2004 includes 53 weeks with the first three quarters of the fiscal year including 13 weeks and the fourth quarter of fiscal 2004 including 14 weeks. Fiscal year 2003 included 52 weeks with all four quarters including 13 weeks.

2. EARNINGS 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 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 potential dilutive common shares.

	For the three months ended	
	June 28, 2003	June 29, 2002
	(in thousands, except per share amounts)	
Basic EPS		
Net income	$ 4,983	$ 6,775
Weighted average shares	24,063	25,318
Basic earnings per share	$ 0.21	$ 0.27
Diluted EPS		
Net income	$ 4,983	$ 6,775
Basic weighted average shares	24,063	25,318
Effect of stock options	160	792
Diluted weighted average shares	24,223	26,110
Diluted earnings per share	$ 0.21	$ 0.26

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS continued

3. STOCK BASED COMPENSATION

Effective in the fourth quarter of fiscal 2003, we adopted the new disclosure provision for employee stock based compensation under Statement of Financial Accounting Standards (SFAS) No. 148, "Accounting for Stock-Based Compensation - Transition and Disclosure," issued by FASB in December 2002. We will continue to account for employee stock based compensation under Accounting Principles Board Opinion No. 25 ("APB No. 25").

Under APB No. 25, because our exercise price of our employee stock options equals the market price of the underlying stock on the date of grant, no accounting recognition is given to options granted to employees and directors until they are exercised. Upon exercise, net proceeds, including tax benefits realized, are credited to equity. The compensation cost for options granted to consultants is recorded at fair value in accordance with Emerging Issues Task Force, "EITF" issue 96-18, "Accounting for Equity Instruments That are Issued to Other Than Employees for Acquiring, or in Conjunction with Selling, Goods or Services."

Had compensation costs under our stock based compensation plans been determined based on the fair value model of FAS 123, the effect on our earnings per share would have been as follows:

	For the three months ended June 28, 2003	For the three months ended June 29, 2002
	(in thousands, except per share amounts)	
Net income (as reported):	$ 4,983	$ 6,775
Deduct: Total stock based employee compensation expense determined under the fair value method for all awards, net of tax	$(1,480)	$(2,102)
Pro Forma Net Income:	$ 3,503	$ 4,673
Earnings per share:		
Basic		
As Reported	$ 0.21	$ 0.27
Pro forma	$ 0.15	$ 0.19
Diluted		
As Reported	$ 0.21	$ 0.26
Pro forma	$ 0.15	$ 0.18

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS continued

4. ACCOUNTING FOR SHIPPING AND HANDLING COSTS

Shipping and handling costs are included in costs of goods sold with the exception of $1.3 million for both the first quarter of fiscal 2004 and fiscal 2003. We include these costs in selling, general and administrative expenses.

5. 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.

6. 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 June 28, 2003	June 29, 2002
	(in thousands, except per share amounts)	
Warranty accrual as of the beginning of the period	$1,056	$800
Provision related to preexisting warranties		
Warranty Provision	158	182
Warranty Spending	(492)	(182)
Warranty accrual as of the end of the period	$ 722	$800

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS continued

7. 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 and the changes in fair value of the effective portion of our outstanding cash flow hedge contracts.

	Three Months Ended	
(In thousands)	June 28, 2003	June 29, 2002
Net income	$4,983	$6,775
Other comprehensive income:		
Foreign currency translation	3,807	5,409
Unrealized loss on cash flow hedges, net of tax	(2,163)	(6,059)
Reclassifications into earnings of cash flow hedge (gains) losses, net of tax	1,881	(428)
Comprehensive income	$8,508	$5,697

8. 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:

	June 28, 2003	March 29, 2003
	(in thousands)	
Raw materials	$15,207	$17,037
Work in process	4,416	$ 4,597
Finished goods	44,555	$44,171
	$64,178	$65,805

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS continued

9. ACQUIRED INTANGIBLE ASSETS

As of June 28, 2003

	Gross Carrying Amount (in thousands)	Accumulated Amortization (in thousands)	Weighted Average Useful Life (in years)
Amortized Intangibles			
Patents	$ 6,371	$1,238	14
Other technology	11,752	1,409	15
Customer contracts and related relationships	11,690	1,571	15
Subtotal	$29,813	$4,218	15
Indefinite Life Intangibles			
Trade name	487		Indefinite
Total Intangibles	$30,300	$4,218	

As of March 29, 2003

	Gross Carrying Amount (in thousands)	Accumulated Amortization (in thousands)	Weighted Average Useful Life (in years)
Amortized Intangibles			
Patents	$ 6,371	$1,119	14
Other technology	11,746	1,274	15
Customer contracts and related relationships	11,498	1,360	15
Subtotal	$29,615	$3,753	15
Indefinite Life Intangibles			
Trade name	477		Indefinite
Total Intangibles	$30,092	$3,753	

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS continued

The only change to the net carrying value of our intangible assets from March 29, 2003 to June 28, 2003 was amortization expense and the effect of rate changes in the translation of the intangibles contained in the financial statement of our Canadian subsidiary.

Aggregate amortization expense for amortized other intangible assets for the three months ended June 28, 2003 and the three months ended June 29, 2002 was $0.5 million and $0.4 million, respectively. Additionally, future amortization expenses on other intangible assets for each of the succeeding five fiscal years approximate $2.1 million.

10. GOODWILL

The change in the carrying amount of our goodwill during the three months ended June 28, 2003 is as follows (in thousands):

Carrying amount as of March 29, 2003	$16,010
Effect of change in rates used for translation	224
Carrying amount as of June 28, 2003	$16,234

11. 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.

12. 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

Our principal product offerings include blood bank, red cell, surgical and plasma collection products.

The blood bank products include machines, single use disposables and solutions that perform "apheresis," (the separation of whole blood into its components and subsequent collection of certain components, including platelets and plasma), as well as the washing of red blood cells for certain procedures. In addition, the blood bank product line includes solutions used in non-apheresis applications.

The main devices used for these blood component therapies are the MCS(R)+ mobile collection system and the ACP(R) 215 automated cell processing system.

Red cell products include machines and single use disposables and solutions that perform apheresis for the collection of red blood cells. Devices used for the collection of red blood cells are the MCS(R)+ 8150 mobile collection systems.

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(R) and the Cell Saver(R) autologous blood recovery systems.

Plasma collection products are machines, disposables and solutions that perform apheresis for the separation of whole blood components and subsequent collection of plasma. The devices used in automated plasma collection are the PCS(R)2 plasma collection system and the Superlite(TM).

Other includes revenue generated from equipment repairs performed under preventive maintenance contracts or emergency service billings and miscellaneous sales, including revenue from our software division, Fifth Dimension. Fifth Dimension provides information management products and services to plasma collectors and fractionators.

Three months ended (in thousands)

	Blood Bank	Red Cells	Surgical	Plasma	Other	Total
June 28, 2003						
Revenues from external customers	$27,591	4,679	20,370	30,241	5,402	$88,283
June 29, 2002						
Revenues from external customers	$26,493	3,643	18,334	29,437	4,028	$81,935

13. SUBSEQUENT EVENT

On August 12, 2003, the Company reported details of a reorganization to divide into two worldwide "Donor" and "Patient" divisions to better serve customers and align organizational structure and size with growth opportunities. As a result of the reorganization, the Company reduced its worldwide workforce of 1,500 employees by approximately 4%. No facilities will be closed. The reductions will result in a charge for severance and related costs of approximately $2.7 million.

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

Results of Operations

FOR THE THREE MONTHS ENDED JUNE 28, 2003 (FISCAL 2004) COMPARED TO THREE MONTHS ENDED JUNE 29, 2002 (FISCAL 2003)

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

	Percentage of Net Revenues For the three months ended		
	June 28, 2003	June 29, 2002	Percentage Increase/ (Decrease)
Net revenues	100.0%	100.0%	7.7 %
Cost of goods sold	55.2	52.9	12.5
Gross profit	44.8	47.1	2.4
Operating expenses:			
Research and development	5.6	6.0	1.2
Selling, general and administrative	29.9	29.3	9.9
Total operating expenses	35.5	35.3	8.4
Operating income	9.3	11.8	(15.5)
Interest expense	(0.9)	(1.1)	(10.4)
Interest income	0.3	0.6	(35.8)
Other income, net	0.1	0.7	(81.7)
Income from operations before provision for income taxes	8.8	12.0	(20.7)
Provision for income taxes	3.2	3.7	(7.9)
Net income	5.6%	8.3%	(26.5)%

Net Revenue Summary

By location	June 28, 2003	June 29, 2002	% Increase/ (Decrease)
United States	$31,552	$30,930	2.0%
International	56,731	51,005	11.2%
Net revenues	$88,283	$81,935	7.7%

By product type	June 28, 2003	June 29, 2002	% Increase/ (Decrease)
Disposables	$78,395	$73,488	6.7%
Misc. & service	5,402	4,028	34.1%
Equipment	4,486	4,419	1.5%
Net revenues	$88,283	$81,935	7.7%

Disposable revenue by product line	June 28, 2003	June 29, 2002	% Increase/ (Decrease)
Surgical	$18,293	$17,263	6.0%
Blood bank	25,949	24,039	7.9%
Red Cell	4,564	3,528	29.4%
Plasma	29,589	28,658	3.2%
Total disposables revenue	$78,395	$73,488	6.7%

Net Revenues

Net revenues for the three months ended June 28, 2003, increased $6.3 million to $88.3 million from $81.9 million for the three months ended June 29, 2002. The sales increase was a result of volume increases from both disposable and miscellaneous and service sales, which include sales from our software company, Fifth Dimension, and as well as positive effects from foreign currency. See the section below entitled "Foreign Exchange" for a complete discussion of how foreign exchange impacts our business. International sales accounted for 64.3% of net sales for the first quarter of fiscal 2004 as compared to 62.7% in the first quarter of fiscal 2003.

Disposable Sales

Disposable sales increased 6.7% or $4.9 million. By product line, disposable sales increased in worldwide Surgical (up 6.0%), worldwide Bloodbank (up 7.9%), worldwide Red Cell (up 29.4%), and worldwide Plasma (up 3.2%).

Surgical Worldwide Surgical disposable sales includes our traditional cardiovascular cell salvage business and our OrthoPAT(R) business. Foreign currency contributed to over one half of the increase in Surgical sales. The remainder of the increase in worldwide surgical revenues was due to increased OrthoPAT(R) disposable volumes in the orthopedic markets in the U.S. and Europe as orthopedic physicians continue to adopt cell salvage as a cost effective blood conservation strategy.

Bloodbank Slightly more than one half of the increase in worldwide Bloodbank disposable sales was due to the effects of foreign currency. Other increases were a result of platelet volume increases in Japan and Asia.

Red Cell Worldwide Red Cell sales grew primarily due to volume increases in the U.S. as customers (new and existing) reacted to red cell shortages by introducing automation into their collection operations as a means to increase the number of units of blood collected from a declining number of eligible donors.

Plasma. Foreign currency accounted for substantially all of the increase in worldwide Plasma disposables sales. Plasma sales increased due to the expansion of our Plasma product line with the addition of solutions and containers and because of disposable volume increases in Europe. These increases were offset by disposable volume decreases in Japan and the U.S. The decrease in Japan was due to a decline in collections over the previous year as the Japanese Red Cross decreased collection targets. The U.S. volume decrease was due to the loss of all revenue from a customer as a result of industry consolidation and a decrease in sales to another customer, Alpha Therapeutic Corporation (Alpha). Although Baxter announced its intent to acquire certain assets of Alpha in early calendar 2003, the acquisition has not been completed. We cannot estimate future Alpha revenues as it is not clear whether or when the acquisition will be completed, or if completed, Baxter's plans for the collection centers. Our sales to Alpha in the first quarter of fiscal 2004 were $4.1 million. Alpha has several exclusive purchasing contracts with us which begin to lapse in January 2005 through 2009.

Miscellaneous and Service Sales

Miscellaneous and service sales include revenues generated from equipment repairs performed under preventive maintenance contracts or emergency service billings and revenue from our software division, Fifth Dimension.

Miscellaneous and service sales increased 34.1% or $1.4 million year over year. Both components of miscellaneous and service sales contributed almost equally to this increase.

Equipment Sales

Equipment sales increased exclusively due to the effects of foreign currency. Most of our equipment sales occur in markets outside the U.S., as in the U.S. we generally place equipment with a customer in exchange for an agreement to purchase disposables or to pay a rental fee.

Gross profit

Gross profit of $39.6 million for the first quarter of fiscal 2004 increased $0.9 million from $38.6 million for the first quarter of fiscal 2003. Foreign currency and the cost reductions generated by our Customer Oriented Redesign for Excellence ("CORE") program were the most significant reasons for the increase. These increases were partly offset by the $0.9 million provision for excess and obsolete inventory. We took this provision for two reasons: 1) the decision to phase out an earlier generation device and 2) revised demand estimates for certain purchased equipment and disposables.

For the first three months of fiscal 2004, the CORE program generated a $1.0 million improvement in our gross profit by automating and redesigning the way certain products are made and by negotiating reduced raw material prices from suppliers.

Expenses

* Research and Development

We spent $5.0 million on research and development for the first quarter of fiscal 2004 (5.6% as a percentage of sales) and $4.9 million for the first quarter of fiscal 2003 (6.0% as a percentage of sales). The increase in research and development expense is related primarily to foreign exchange.

* Selling, general and administrative

Selling, general and administrative expenses increased $2.4 million in the first quarter of fiscal 2004 from $24.0 million in the first quarter of fiscal 2003. A little more than one half of the increase in spending is related to foreign exchange. The remainder of the increase is due to increased spending in selling, marketing, and field support to support revenue growth.

Operating Income

Operating income for the first quarter of fiscal 2004 decreased $1.5 million from the first quarter of fiscal 2003 and decreased to 9.3% of sales in the first quarter of fiscal 2004 from 11.8% in the first quarter of fiscal 2003. The $1.5 million decrease in operating income is primarily a result of the effects of foreign currency. While foreign currency contributed to an increase in gross profit, this was more than fully offset by the increase foreign currency caused in our operating expenses.

Foreign Exchange

Approximately 64% of our sales are generated outside the U.S., yet our reporting currency is the U.S. dollar. Foreign exchange risk arises because we engage in business in foreign countries in local currency, primarily the Euro and the Japanese Yen. 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 lock in for a period of time the 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. We refer to these contracts as our plan hedges. Hedging through the use of forward contracts does not eliminate the volatility of foreign exchange rates, but because we enter into forward contracts one year in advance, exchange rates are fixed for a one year period, thereby facilitating financial planning and resource allocation.

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 recorded 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 recorded 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 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
~~FY2001~~		~~Q1~~	~~1.04~~	~~5.4%~~
		~~Q2~~	~~1.00~~	~~8.2%~~
		~~Q3~~	~~0.92~~	~~12.9%~~
		~~Q4~~	~~0.97~~	~~10.2%~~
~~2001~~	~~Total~~		~~0.98~~	~~9.1%~~
~~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%~~

~~Other income (expense), net~~

~~Interest expense for the first quarter of fiscal 2004 was slightly down compared to the first quarter of fiscal 2003. Nearly all of our long-term debt is at fixed rates. Interest income decreased $0.2 million from 2003 to 2004, due primarily to lower average balances of cash invested and lower investment yields. Other income, net decreased $0.5 million from the first quarter of fiscal 2003 to the first quarter of fiscal 2004 due to a decrease in income earned from points on forward contracts in the first quarter of fiscal 2004 as compared to the first quarter of fiscal 2003. 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

The income tax provision, as a percentage of pretax income, was 36.0% for the first quarter in fiscal year 2004. This increase from 31.0% for the first quarter in fiscal year 2003 is attributable to tax efficient cash repatriations and other non-recurring tax benefits in the prior year. We expect our tax rate to continue at 36.0% for fiscal 2004.

Liquidity and Capital Resources

Our primary sources of capital include cash and short term investments, internally generated cash flows, and bank borrowings. We believe these sources to be sufficient to fund our requirements, which are primarily capital expenditures, acquisitions, new business development, share repurchases, working capital, and severance and related costs associated with a reorganization announced on August 11, 2003 (see note 13 to the interim financial statements), for at least the next twelve months.

During the first quarter of fiscal 2004, we funded our activities primarily with $2.9 million of cash flows generated by operations.

Working capital at June 28, 2003, was $133.1 million. This reflects an increase of $5.3 million in working capital from the same period in the prior year largely due to an increase in cash and cash equivalents, accounts receivable, short term borrowings, accounts payable and accrued payroll and related costs offset by a decrease in inventory and deferred tax asset.

Cash Flow Overview:

Cash and short term investments for the first quarter of fiscal 2004, before the effect of exchange rates, decreased $0.5 million, which represents a decrease in cash flow of $7.2 million compared to the $6.7 million in cash provided during the first quarter of fiscal 2003. The $7.2 million decrease was a result of the $32.6 million in cash provided from the liquidation of available for sale investments in the prior year, offset by the $26.0 million spent in the prior year on treasury stock purchases.

Operating Activities:

Cash provided by operating activities was $2.9 million for the first quarter of fiscal 2004, as compared to $1.3 million in the first quarter of fiscal 2003. The $1.6 million increase was primarily related to inventory changes in fiscal 2003 offset by changes in accounts receivable and additional tax payments in fiscal 2004. Cash spent on inventory decreased in the first quarter of fiscal 2004 as compared to fiscal 2003 due to lower inventory balances in fiscal 2004. Accounts receivable increased due to the increase in sales and the timing of payments.

Investing Activities:

We used $3.1 million for investing activities in the first quarter of fiscal 2004, which represents a decrease of $33.2 million from the $30.1 million in cash provided in the first quarter of fiscal 2003. The

~~$33.2 million decrease in cash provided was a result of the liquidation of our available for sale investments in fiscal 2003. Also in the first quarter of fiscal 2004, we made a performance milestone payment relating to the acquisition of Fifth Dimension.~~

~~Financing Activities:~~

~~Our financing activities in the first quarter of fiscal 2004 utilized $0.4 million in cash as compared to $24.7 million utilized in the first quarter of fiscal 2003. This decrease in cash utilized was due to the fact that we did not purchase any treasury stock in the first quarter of fiscal 2004 while we used $26.0 million in the first quarter of fiscal 2003 to purchase treasury stock.~~

~~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 efficiency, by increasing employee productivity and by adjusting the selling prices of new products we introduce.~~

~~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, foreign currency exchange rates, changes in customers' ordering patterns, 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 June 28, 2003, 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 Forwar Contract Rate	Fair Value	Maturity
Euro	8,400,000	$0.980	$0.966	($1,517,537)	Jul-Sep 2003
Euro	9,700,000	$0.986	$0.973	($1,303,088)	Oct-Dec 2003
Euro	9,500,000	$1.100	$1.088	($511,157)	Jan-Feb 2004
Euro	6,000,000	$1.149	$1.137	($30,468)	Mar-May 2004
Japanese Yen	1,775,000,000	120.7 per US$	118.6 per US$	($70,191)	Jul-Sep 2003
Japanese Yen	1,725,000,000	121.6 per US$	119.8 per US$	($255,833)	Oct-Dec 2003
Japanese Yen	1,615,000,000	118.3 per US$	116.7 per US$	$69,009	Jan-Feb 2004
Japanese Yen	1,265,000,000	117.3 per US$	115.8 per US$	$110,266	Mar-May 2004
Total:				($3,508,998)	

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 $8.8 million increase in the fair value of the forward contracts; whereas a 10% weakening of the U.S. dollar would result in a $9.9 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 rates movements due to its fixed rate nature. At June 28, 2003, the fair value of our long term debt was approximately $3.6 million higher than the value of the debt reflected on our

~~financial statements. This higher fair market is entirely related to our $22.9 million, 7.05% fixed rate senior notes and our $8.6 million, 8.41% real estate mortgage.~~

~~At June 29, 2002, the fair value of our long term debt was approximately $3.0 million higher than the value of the debt reflected on our financial statements. This higher fair value was primarily related to the $28.6 million, 7.05% fixed rate senior notes and the $9.1 million, 8.41% real estate mortgage.~~

~~Using scenario analysis, if we changed the interest rate on all long-term maturities by 10% from the rate levels that existed at March 29, 2003 the fair value of our long term debt would change by approximately $0.5 million.~~

~~ITEM 4. CONTROLS AND PROCEDURES~~

~~We conducted an evaluation, as of June 28, 2003, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer (our 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 quarter ended June 28, 2003 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. Changes in Securities

Not applicable.

Item 3. Defaults upon Senior Securities

Not applicable.

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

None

Item 5. Other Information

On August 12, 2003, the Company reported details of a reorganization to divide into two worldwide "Donor" and "Patient" divisions to better serve customers and align organizational structure and size with growth opportunities. As a result of the reorganization, the Company reduced its worldwide workforce of 1,500 employees by approximately 4%. No facilities will be closed. The reductions will result in a charge for severance and related costs of approximately $2.7 million. Attached as exhibit 99 is a press release made by the Company on August 12, 2003.

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

(a) Exhibits

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, Senior 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, Senior Vice President and Chief Financial Officer of the Company~~

~~99 Press release made by the Company on August 12, 2003~~

~~(b) Reports on Form 8-K~~

~~We filed a report on Form 8-K on April 24, 2003 furnishing a press release we issued on April 23, 2003 announcing our fiscal 2003 fourth quarter and year end results.~~

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: August 12, 2003 By: /s/Brad Nutter

Brad Nutter, President and Chief Executive Officer

Date: August 12, 2003 By: /s/ Ronald J. Ryan

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

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 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)) 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) 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

   c) 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: August 12, 2003

s/Brad Nutter

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

EXHIBIT 31.2

CERTIFICATION

I, Ronald J. Ryan, Senior 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 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)) 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) 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

   c) 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: August 12, 2003

s/Ronald J. Ryan

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

EXHIBIT 32.1

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 June 28, 2003 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: August 12, 2003

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 June 28, 2003 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Ronald J. Ryan, Senior 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: August 12, 2003

s/Ronald J. Ryan

Ronald J. Ryan,
Senior 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.

Exhibit 99

FOR RELEASE: CONTACT:
Date: August 12, 2003 Lisa Lopez
Time: 8:30 am Tel. (781) 356 9517
Alternate Tel. (617) 320 2401
fallon@haemonetics.com

HAEMONETICS ANNOUNCES REORGANIZATION TO ALIGN OPERATIONS WITH GROWTH OPPORTUNITIES

Braintree, MA, August 12, 2003 - Haemonetics Corporation today reported additional details regarding its previously announced plan to divide the Company into two worldwide "Donor" and "Patient" divisions to better serve customers and align organizational structure and size with growth opportunities.

Brad Nutter, the Company's President and CEO, commented, "There are numerous emerging opportunities for growth at Haemonetics; our new structure will allow us to appropriately allocate resources and better capitalize on those opportunities. In addition, our flatter organization will better serve customers through speedier decision making and execution."

As a result of the reorganization, the Company reduced its worldwide workforce of 1,500 employees by approximately 4%. No facilities will be closed. The reductions will result in a reserve for severance and related costs of approximately $2.7 million. Annualized cost savings of approximately $4 million are expected.

Mr. Nutter commented, "Although the reorganization and its effects on some of our employees is difficult, Haemonetics is now organized, sized, and will be managed for the continued good health of the enterprise."

Haemonetics also reaffirmed that it remains on track to meet fiscal 2004 guidance including high single digit revenue growth; gross margin in the mid- to high 40% range; modest operating margin improvement over the previous year; a tax rate of 36%; positive contribution in the second half from foreign exchange of $0.05 to $0.10 compared with fiscal 2003; and earnings per share flat with those reported in fiscal 2003. The second quarter reserve for restructuring costs will not change the fiscal 2004 guidance.

About Haemonetics Corporation

Haemonetics (NYSE: HAE) is a global company engaged in the design, manufacture and worldwide marketing of automated blood processing systems. These systems address important medical markets: surgical blood salvage, blood component collection, plasma collection, and blood component safety. Haemonetics has been recognized by Forbes magazine as one of the nation's best small companies. To learn more about Haemonetics, visit the Company's web site at http://www.haemonetics.com.

This release contains forward looking statements that involve risks and uncertainties, including technological advances in the medical field, product demand, market acceptance, regulatory and political uncertainties, the effect of economic conditions, the impact of competitive products and pricing, blood product reimbursement policies and practices, foreign currency exchange rates and other risks detailed in the Company's filings with the Securities and Exchange Commission. The forward looking statements are based on estimates and assumptions made by management of the Company and are believed to be reasonable, though are inherently uncertain and difficult to predict. Actual results and experience could differ materially from the forward looking statements.

# # #