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

For the quarter ended: December 25, 1999   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 the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

25,546,629 shares of Common Stock, $ .01 par value, as of
December 25, 1999

HAEMONETICS CORPORATION
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Item 1. Financial Statements

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

	Three Months Ended	Nine Months Ended

	Dec 25, 1999	Jan 2, 1999	Dec 25, 1999	Jan 2, 1999
Net revenues	70,778	67,958	208,094	207,741
Cost of goods sold	37,601	36,730	110,461	108,779
Gross profit	33,177	31,228	97,633	98,962
Operating expenses:				
Research and development	3,792	3,906	11,197	11,035
Selling, general and administrative	20,546	20,101	61,818	65,496
Total operating expenses	24,338	24,007	73,015	76,531
Operating income	8,839	7,221	24,618	22,431
Interest expense	(1,229)	(1,051)	(3,296)	(3,062)
Interest income	1,349	1,249	3,714	3,404
Other income, net	648	(45)	1,572	420
Income from continuing operations before provision for income taxes	9,607	7,374	26,608	23,193
Provision for income taxes	3,074	2,581	8,514	8,118
Earnings from continuing operations	$ 6,533	$ 4,793	$ 18,094	$ 15,075
Discontinued operations:				
Income (loss) from operations, net of income tax expense (YTD) of $68 in FY 00 and a $52 in FY 99	0	(8)	144	(95)
Net Income	$ 6,533	$ 4,785	$ 18,238	$ 14,980
Basic income(loss) per common share				
Continuing operations	$ 0.254	$ 0.178	$ 0.689	$ 0.565
Discontinued operations	-	-	0.005	(0.004)
Net income	0.254	0.178	0.694	0.561
Income(loss) per common share assuming dilution				
Continuing operations	$ 0.250	$ 0.175	$ 0.682	$ 0.559
Discontinued operations	-	-	0.005	(0.004)
Net income	0.250	0.175	0.687	0.556
Weighted average shares outstanding				
Basic	25,696	26,893	26,278	26,694
Diluted	26,097	27,408	26,530	26,953

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)

	Dec. 25, 1999	April 3, 1999
ASSETS		
Current assets:		
Cash and short term investments	$ 46,525	$ 56,319
Accounts receivable, less allowance of $1,073 at Dec 25, 1999 and $747 at April 3, 1999	72,040	62,975
Inventories	59,245	59,773
Current investment in sales-type leases, net	9,702	12,303
Deferred tax asset	29,263	29,741
Other prepaid and current assets	8,398	10,211
Total current assets	225,173	231,322
Property, plant and equipment	184,026	178,066
Less accumulated depreciation	100,970	95,050
Net property, plant and equipment	83,056	83,016
Other assets:		
Investment in sales-type leases, net (long term)	20,418	24,716
Distribution rights, net	11,808	10,518
Other assets, net	21,415	6,787
Total other assets	53,641	42,021
Total assets	$361,870	$356,359

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities:		
Notes payable and current maturities of long-term debt	$ 32,365	$ 6,645
Accounts payable	14,222	10,666
Accrued payroll and related costs	9,829	9,229
Accrued income taxes	18,885	21,850
Other accrued liabilities	15,171	17,476
Current liabilities and accrued losses net of current assets of discontinued operations	---	3,268
Total current liabilities	90,472	69,134
Deferred income taxes	11,718	11,684
Long-term debt, net of current maturities	45,410	52,526
Other long-term liabilities	2,194	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 29,829,591 shares at December 25, 1999; 29,702,623 shares at April 3, 1999	298	297
Additional paid-in capital	67,687	65,504
Retained earnings	229,971	211,834
Cumulative translation adjustments	(10,973)	(9,825)
Stockholders' equity before treasury stock	286,983	267,810
Less: treasury stock 4,282,962 shares at cost at December 25, 1999 and 2,756,969 shares at cost at April 3, 1999	74,907	45,949
Total stockholders' equity	212,076	221,861
Total liabilities and stockholders' equity	$361,870	$356,359
Supplemental disclosure of balance sheet information:		
Net debt	$ 31,250	$ 2,852

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

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

	Nine Months Ended	
	Dec 25, 1999	Jan 2, 1999
Cash Flows from Operating Activities:		
Net income	$ 18,238	$ 14,980
Less net income (loss) from discontinued operations	144	(95)
Net income from continuing operations	18,094	15,075
Adjustments to reconcile net income to net cash provided by operating activities:		
Non cash items:		
Depreciation and amortization	21,586	20,612
Deferred tax benefit	64	408
Other	2,015	795
Change in operating assets and liabilities:		
Increase in accounts receivable - net	(7,772)	(4,802)
Increase in inventories	(113)	(775)
(Increase) decrease in sales-type leases (current)	2,431	(1,450)
Decrease in prepaid income taxes	356	8,262
(Increase) decrease in other assets	1,047	(6,397)
Decrease in accounts payable, accrued expenses and other current liabilities	(4,058)	(2,501)
Net cash provided by operating activities, continuing operations	33,650	29,227
Net cash used in operating activities, discontinued operations	(4,932)	(14,932)
Net cash provided by operating activities	28,718	14,295
Cash Flows from Investing Activities:		
Capital expenditures on property, plant and equipment, net of retirements and disposals	(21,198)	(17,290)
Other investments	(15,000)	---
Net decrease in sales-type leases (long-term)	4,774	8,614
Net cash used in investing activities, continuing operations	(31,424)	(8,676)
Net cash provided by investing activities, discontinued operations	3,562	14,536
Net cash provided by (used in) investing activities	(27,862)	5,860
Cash Flows from Financing Activities:		
Payments on long-term real estate mortgage	(8,191)	(154)
Net increase (decrease) in short-term		

credit agreements	24,267	(4,438)
Net increase (decrease) in long-term credit agreements	415	(1,666)
Employee stock purchase plan purchases	379	0
Exercise of stock options and related tax benefit	2,184	6,269
Purchase of treasury stock	(29,437)	0
Net cash used in financing activities	(10,383)	11
Effect of exchange rates on cash and cash equivalents	(267)	321
Net increase (decrease) in cash and cash equivalents	(9,794)	20,487
Cash and cash equivalents at beginning of period	56,319	21,766
Cash and cash equivalents at end of period	$ 46,525	$ 42,253
Supplemental disclosures of cash flow information:		
Net decrease in cash and cash equivalents, discontinued operations	$ (1,370)	$ (396)
Net increase (decrease) in cash and cash equivalents, continuing operations	$ (8,424)	$ 20,883
Increase (decrease) in net debt	$ 26,285	$(26,745)
Interest paid	$ 3,606	$ 3,708
Income taxes paid (refunded)	$ 11,345	$ (6,478)

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(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	---	---	---	480	(101)	---	379	
Exercise of stock options and related tax benefit	127	1	2,183	---	---	---	2,184	
Purchase of treasury stock	---	---	---	(29,437)	---	---	(29,437)	
Net income	---	---	---	---	18,238	---	18,238	$18,238
Foreign currency translation adjustment	---	---	---	---	---	(1,148)	(1,148)	(1,148)
Comprehensive income	---	---	---	---	---	---	---	$17,090
Balance, Dec 25, 1999	29,830	$298	$67,687	$(74,907)	$229,971	$(10,973)	$212,076	

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 accounting principles. The accompanying 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 third quarter, ended December 25, 1999 including 12 weeks and the fourth quarter, ending March 31, 2000, including 14 weeks.

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, the 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 $11.0 million and $9.8 million at December 25, 1999 and April 3, 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 derivatives fair value be recognized 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 statement, or in the case of a hedge of a 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 assess the effectiveness of transactions that 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 be applied retroactively. The impacts of 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 connection with the Company's hedging program 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 changes on the Company's assets and liabilities are included in the cumulative translation adjustment account. Included in other income (expense) in the consolidated statement of operations for the first nine months of fiscal year 2000 and fiscal year 1999 are ($19,400) and ($1,035,000) respectively, in foreign currency transaction gains (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 to 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 hedge certain intercompany receivables 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 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.

At December 25, 1999 and January 2, 1999, the Company had forward exchange contracts, all maturing in less than twelve months, to exchange foreign currencies (major European currencies and Japanese yen) primarily for U.S. dollars totaling $154.9 million and $165.5 million, respectively. Of the respective balances, $50.8 million and $52.9 million represented contracts related to intercompany receivables that settled within 35 days. The balance of the contracts relate to firm sales commitments. Gross unrealized gains and losses from hedging firm sales commitments, based upon current rates, were a $2.6 million gain and a ($6.2) million loss at December 25, 1999 and a $47.9 thousand gain and a ($7.6) million loss at January 2, 1999. Deferred gains and losses are recognized in earnings when the transactions being hedged are recognized. Management anticipates that these deferred amounts at December 25, 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:

	December 25, 1999	April 3, 1999
	(in thousands)	
Raw materials	$14,959	$14,497
Work-in-process	6,324	5,106
Finished goods	37,962	40,170
	$59,245	$59,773

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.

	For the three months ended	
	December 25, 1999	January 2, 1999
Basic EPS		
Net Income	$ 6,533	$ 4,785
Weighted Average Shares	25,696	26,893
Basic income per share	$ .254	$ .178
Diluted EPS		
Net Income	$ 6,533	$ 4,785
Basic Weighted Average shares	25,696	26,893
Effect of Stock options	401	515
Diluted Weighted Average shares	26,097	27,408
Diluted income per share	$ .250	$ .175

	For the nine months ended	
	December 25, 1999	January 2, 1999
Basic EPS		
Net Income	$18,238	$14,980
Weighted Average Shares	26,278	26,694
Basic income per share	$ .694	$ 0.561
Diluted EPS		
Net Income	$18,238	$14,980
Basic Weighted Average shares	26,278	26,694
Effect of Stock options	252	259
Diluted Weighted Average shares	26,530	26,953
Diluted income per share	$ .687	$ 0.556

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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. The divestiture was completed during the first quarter of fiscal year 2000, with the sale of the last remaining center. During the second quarter of fiscal year 2000, 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.

9. OTHER INVESTMENTS

During the third quarter of fiscal year 2000, the Company made a $15.0 million in the securities of the privately-held company, Transfusion Technologies Corporation. The $15.0 million Investment will be accounted for using the cost basis method of accounting. Transfusion Technologies Corporation designs, develops, and markets equipment and disposable sets for the processing of human blood for transfusion to patients.

10. 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 consolidated 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 used for blood component therapy is the MCS(R)+, 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 procedure 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(R) 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 plasma collection is the PCS(R)2.

Three months ended (in thousands)

December 25, 1999	Blood Bank	Surgical	Plasma	Other	Total
Revenues from external customers	29,851	16,514	21,391	3,022	70,778
January 2, 1999					
Revenues from external customers	30,295	13,806	20,747	3,110	67,958

Nine months ended (in thousands)

December 25, 1999	Blood Bank	Surgical	Plasma	Other	Total
Revenues from external customers	87,344	47,489	64,691	8,570	208,094
January 2, 1999					
Revenues from external customers	89,550	44,801	63,346	10,044	207,741

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

RESULTS OF CONTINUING OPERATIONS

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

	Percentage of Net Revenues Three Months Ended		Percentage Incr/(decr) Three Months Ended
	Dec 25, 1999	Jan 2, 1999	FY 00/FY 99
Net revenues	100.0%	100.0%	4.1%
Cost of goods sold	53.1	54.0	2.4
Gross Profit	46.9	46.0	6.2
Operating Expenses:			
Research and development	5.4	5.8	(2.9)
Selling, general and administrative	29.0	29.6	2.2
Total operating expenses	34.4	35.4	1.4
Operating income	12.5	10.6	22.4
Interest expense	(1.7)	(1.5)	16.9
Interest income	1.9	1.9	8.0
Other income(expense)	0.9	(0.1)	1540.0
Income from continuing operations before provision for income taxes	13.6	10.9	30.3
Provision for income taxes	4.4	3.8	19.1
Earnings from continuing operations	9.2%	7.1%	36.2%

Three Months Ended December 25, 1999 Compared to Three Months Ended January 2, 1999

Net Revenue Summary

(in thousands)

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By geography:	FY 00	FY 99	Percent Increase / (Decrease) Actual dollars as reported	At constant currency
United States	$21,840	$20,586	6.1 %	6.1 %
International	48,398	47,372	3.3	3.9
Net revenues	$70,778	67,958	4.1 %	4.6 %

By product type:	FY 00	FY 99	Percent Increase / (Decrease) Actual dollars as reported	At constant currency
Disposables	$64,685	$59,388	8.9 %	9.6 %
Misc & service	3,022	3,110	(2.8)	(10.1)
Equipment	3,071	5,460	(43.8)	(43.1)
Net revenues	$70,778	$67,958	4.1 %	4.6 %

Disposables By product line:	FY 00	FY 99	Percent Increase / (Decrease) Actual dollars as reported	At constant currency
Surgical	$15,420	$12,274	25.6 %	24.5 %
Blood bank*	28,250	26,658	6.0	7.1
Plasma	21,015	20,456	2.7	4.0
Disposable revenues	64,685	59,388	8.9 %	9.6 %

Includes red cell disposables

Three months ended December 25, 1999 compared to three months ended January 2, 1999

Net Revenues

Net revenues in fiscal year 2000 increased 4.1% to $70.8 million from $68.0 million in fiscal year 1999. With currency rates held constant, net revenues increased 4.6% for the quarter year over year. Disposable sales increased approximately 8.9% year over year at actual foreign exchange rates. With currency rates held constant, disposable sales increased 9.6%. The 9.6% increase was a result of growth in all three product lines, worldwide surgical 24.5%, worldwide blood bank 7.1% and worldwide plasma 4.0%. Constant currency sales of disposable products, excluding service and other miscellaneous revenue, accounted for approximately 92% and 88% of net revenues for fiscal year 2000 and fiscal year 1999, respectively. Service generated from equipment repairs performed under preventive maintenance contracts or emergency service billings and miscellaneous revenues accounted for approximately 4.0% and 4.7% of the Company's net revenues, at constant currency, for fiscal year 2000 and fiscal year 1999, respectively. Equipment revenues decreased approximately 43.8 % from $5.5 million in fiscal year 1999. With currency rates held constant, equipment revenues decreased 43.1% from fiscal year 1999 to fiscal year 2000. International sales as reported accounted for approximately 68% and 70% of net revenues for fiscal year 2000 and fiscal year 1999, respectively.

Gross profit

Gross profit of $33.2 million in fiscal year 2000 increased $2.0 million from $31.2 million fiscal year 1999. At constant currency rates gross profit, as a percent of sales, increased by 0.7% and increased in dollars by $1.9 million from fiscal year 1999 to fiscal year 2000. The $1.9 million increase was attributable to higher sales dollars in fiscal year 2000 over fiscal year 1999 and the Company's Customer Oriented Redesign for Excellence or CORE Program which contributed approximately $0.3 million in labor savings.

Expenses

The Company expended $3.8 million (5.4% of net revenues) on research and development in fiscal year 2000 and $3.9 million (5.8% of net revenues) in fiscal year 1999. At constant currency rates, research and development as a percent of sales decreased by 0.8% and decreased in dollars by $0.3

million from fiscal year 1999 to fiscal year 2000.

Selling, general and administrative expenses increased $0.4 million to $20.5 million in fiscal year 2000 from $20.1 million in fiscal year 1999. At constant currency rates, selling, general and administrative expenses increased $0.1 million from fiscal year 1999 to fiscal year 2000 but decreased 1.0% as a percent of sales from fiscal year 1999 to fiscal year 2000. 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, increased 1.9 percentage points to 12.5% in fiscal year 2000 from 10.6% in fiscal year 1999. At constant currency rates, operating income, as a percent of net revenues, increased 2.6% from fiscal year 1999 or $2.1 million. The $2.1 million increase in operating income resulted primarily from gross profit improvement.

Other Income and Expense

Both interest expense and interest income remained relatively unchanged from fiscal year 1999 to fiscal year 2000, increasing by only $0.2 and $0.1 million respectively. Other income increased $0.6 million due primarily to increases in income earned from points on forward contracts and decreases in foreign exchange transaction losses.

Taxes

The provision for income taxes, as a percentage of pretax income, was reduced from 35.0% in fiscal year 1999 to 32.0% in fiscal year 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.

Nine months Ended December 25, 1999 Compared to Nine months Ended January 2, 1999

	Percentage of Net Revenues Nine Months Ended		Percentage Incr/(decr) Nine Months Ended
	Dec 25, 1999	Jan 2, 1999	FY 00/FY 99
Net revenues	100.0%	100.0%	0.2%
Cost of goods sold	53.1	52.4	1.6
Gross Profit	46.9	47.6	(1.3)
Operating Expenses:			
Research and development	5.4	5.3	1.4
Selling, general and administrative	29.7	31.5	(5.6)%
Total operating expenses	35.1	36.8	(4.6)
Operating income	11.8	10.8	9.8
Interest expense	(1.6)	(1.5)	7.6
Interest income	1.8	1.7	9.1
Other income	0.8	0.2	274.3
Income from continuing operations before provision for income taxes	12.8	11.2	14.7
Provision for income taxes	4.1	3.9	4.9
Earnings from continuing operations	8.7%	7.3%	20.0%

Nine months Ended December 25, 1999 Compared to Nine Months Ended January 2, 1999

Net Revenue Summary

(in thousands)

By geography:	FY 00	FY 99	Percent Increase / (Decrease) Actual dollars as reported	On a comparable* basis at constant currency
United States	$ 66,386	$ 65,008	2.1 %	4.8 %
International	141,708	142,733	(0.7)	4.4
Net revenues	$208,094	207,741	0.2 %	4.5 %

By product type:	Percent Increase / (Decrease)

	FY 00	FY 99	Actual dollars as reported	On a comparable* basis at constant currency
Disposables	$188,789	$183,923	2.6 %	7.5 %
Misc & service	8,561	10,043	(14.8)	(15.1)
Equipment	10,744	13,775	(22.0)	(20.8)
Net revenues	$208,094	$207,741	0.2 %	4.5 %

Disposables By product line:	FY 00	FY 99	Percent Increase / (Decrease) Actual dollars as reported	On a comparable* basis at constant currency
Surgical	$ 43,633	$ 39,783	9.7 %	13.2 %
Blood bank**	82,128	81,499	0.8	6.3
Plasma	63,028	62,641	0.6	5.4
Disposable revenues	188,789	183,923	2.6 %	7.5 %

Comparable Basis Adjustments

Adjustments made for comparison purposes only were as follows:

All Profit and Loss Statement Items

To make fiscal year 1999 comparable with fiscal year 2000, the additional (14th) week in Q1 of fiscal year 1999 was removed.

Operating Expenses

To make fiscal year 1999 comparable with fiscal year 2000, the settlement cost relating to litigation included in SG&A expenses in Q1 of fiscal year 1999 was removed.

Includes red cell disposables

Net Revenues

Net revenues in fiscal year 2000 increased 0.2% to $208.1 million from $207.7 million in fiscal year 1999. With currency rates held constant and reflected on a comparable basis, net revenues increased 4.5% from fiscal year 1999 to fiscal year 2000. Disposable sales increased approximately 2.6% year over year at actual foreign exchange rates. With currency rates held constant, disposable sales on a comparable basis increased 7.5%. The 7.5% increase was a result of growth in all three disposable product line sales, worldwide surgical 13.2%, worldwide blood bank 6.3% and worldwide plasma 5.4%. Constant currency sales of disposable products on a comparable basis, excluding service and other miscellaneous revenue, accounted for approximately 91% and 89% of net revenues for fiscal year 2000 and fiscal year 1999, respectively. Service generated from equipment repairs performed under preventive maintenance contracts or emergency service billings and miscellaneous revenues accounted for approximately 3.9% and 4.8% of the Company's net revenues, at constant currency, for fiscal year 2000 and fiscal year 1999, respectively. Equipment revenues decreased 22.0% from $13.8 million in fiscal year 1999. With currency rates held constant and reflected on a comparable basis, equipment revenues decreased 20.8% year over year. International sales as reported accounted for approximately 68% and 69% of net revenues for fiscal year 2000 and fiscal year 1999, respectively.

Gross profit

Gross profit of $97.6 million in fiscal year 2000 decreased $1.3 million from $98.9 million in fiscal year 1999. At constant currency rates and with gross profit reflected on a comparable basis, gross profit as a percent of sales increased by 0.3% and increased in dollars by $5.0 million from fiscal year 1999 to fiscal year 2000. The $5.0 million increase was attributable to higher sales dollars in fiscal year 2000 over fiscal year 1999 and the Company's Customer Oriented Redesign for Excellence or CORE Program which contributed approximately $1.4 million in labor savings.

Expenses

The Company expended $11.2 million (5.4% of net revenues) on research and development in fiscal year 2000 and $11.0 million (5.3% of net revenues) in fiscal year 1999. At constant currency rates and with research and development reflected on a comparable basis, research and development as a percent of sales decreased slightly by 0.3% and decreased slightly in dollars by $0.1 million from fiscal year 1999 to fiscal year 2000.

Selling, general and administrative expenses were $61.8 million in fiscal year 2000, representing 29.7% of net revenues and a 1.8 percentage point reduction year over year from fiscal year 1999 to fiscal year 2000. At constant currency rates and reflected on a comparable basis, selling, general and administrative expenses increased $0.7 million, but decreased 1.0% as a percent of sales from fiscal year 1999 to fiscal year 2000. The

CORE Program contributed approximately $1.3 million of savings, especially relative to prior year selling, general and administrative expenses through reductions in distribution costs.

Operating Income

Operating income as a percentage of net revenues increased 1.0% to 11.8% in fiscal year 2000 from 10.8% in fiscal year 1999. At constant currency rates and reflected on a comparable basis, operating income, as a percent of net revenues, increased 1.7% from fiscal year 1999 or $4.4 million. The $4.4 million increase in operating income resulted mainly from the gross profit improvement.

Other Income and Expense

Interest expense increased $0.2 million from fiscal year 1999 to fiscal year 2000. Interest income increased $0.3 million from fiscal year 1999 to fiscal year 2000 due to both higher average cash balances and higher average yields. Other income increased $1.2 million due primarily to increases in income earned from points on forward contracts and decreases in foreign exchange transaction losses.

Taxes

The provision for income taxes, as a percentage of pretax income, was lower by 3.0 % from 35.0% in fiscal year 1999 to 32.0% in fiscal year 2000. The Company expects the provision rate to remain at 32.0% for the full 12 months 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 benefits.

LIQUIDITY AND CAPITAL RESOURCES

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, stock repurchases, new business development and working capital.

During the nine months ended December 25, 1999, the Company decreased its cash balances, before the effect of exchange rates, by $9.5 million from operating, investing and financing activities which represents a decrease of $29.7 million from the $20.2 million generated by the Company's operating, investing and financing activities during the nine months ended January 2, 1999. The decrease was largely a result of $44.1 million more cash utilized by the Company's investing and financing activities, offset $14.4 million more cash provided by the Company's operating activities.

Operating Activities:

The Company generated $33.6 million in cash from operating activities of continuing operations in fiscal year 2000 as compared to $29.2 million generated during fiscal year 1999. The $4.4 million decrease in operating cash flow from continuing operations was a result of; a $4.9 million increase in net income adjusted for non cash items, a $0.7 million decrease in inventory as seen in the improved disposable finished goods inventory turns, a short-term sales-type lease reduction of $3.8 and a $7.4 decrease in other assets. These increased sources of cash were offset by a $2.9 million increase in accounts receivable, a $7.9 million change to the prepaid income tax account due to fiscal year 1999 refunds not recurring in fiscal year 2000 and a $1.6 million decrease in accounts payable, accrued expenses and other current liabilities. The increase in accounts receivable was attributable to condensing the quarter to 12 weeks in accordance with the Company's Y2k contingency plan. If the actual collections received in the 13th week were taken into account, the DSO was in line with that the third quarter of fiscal year 1999.

During fiscal year 2000, the Company's discontinued operations utilized $10.0 million less in operating cash flows as compared to fiscal year 1999.

Investing Activities

The Company utilized $31.4 million in cash for investing activities from continuing operations in fiscal year 2000, an increase of $22.7 million from the $8.7 million utilized in fiscal year 1999. The $22.7 increase in investing activity during the nine months ended December 25, 1999 was due to a $15.0 million investment in Transfusion Technologies Corporation during the third quarter of fiscal year 2000, a $3.9 million increase in capital expenditures, net of retirements and disposals and $3.8 million decrease in the cash generated by long-term sales contracts.

During the nine months ended December 25, 1999, discontinued operations provided $3.6 million in investing cash flows. This reflects a decrease in investing cash flows provided from discontinued operations of $11.0 as compared to the $14.6 million in cash provided during the first nine months of fiscal year 1999.

Financing Activities:

During the nine months ended December 25, 1999, the Company's net debt increased $26.3 million, a $53.0 million increase as compared to the nine months ended January 2, 1999. This $53.0 million increase resulted primarily from the operating and investing activities in fiscal year 2000 which provided $19.3 million less cash than in fiscal year 1999, $3.7 million less cash provided from employee stock purchase plan and stock option activity, a $0.6 million unfavorable impact of currency and the Company's repurchase in fiscal year 2000 of 1.6 million shares of common stock for its treasury for $29.4 million. Future share repurchases are dependent upon the availability of shares at acceptable price levels and compliance with restrictive convenants in the Company's financing agreements.

At December 25, 1999, the Company had working capital of $134.7 million. This reflects a decrease of $27.5 million in working capital for the nine months ended December 25, 1999. The Company believes its sources of 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 derivatives fair value be recognized 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 statement, or in the case of a hedge of a 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 assess the effectiveness of transactions that 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 be applied retroactively. The impacts of 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 connection with the Company's hedging program 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," "designed" 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 operations and financial position. These 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 only as of the date on which such 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 predict every new factor that may emerge, 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 uncertainties that could cause actual results to 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 incorporate such advances, product demand and 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' ordering patterns, the effect of uncertainties 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 potential system interruptions. The foregoing list should not be construed as exhaustive.

Year 2000 Costs

Haemonetics made the transition to the calendar year 2000 without "Year 2000" interruptions. Throughout the approximately $3 million year 2000 project, the Company replaced or upgraded over 700 PCs and other computers, telecommunication systems around the world and added back-up capabilities. In addition, a complete inventory of computer software was developed. Over 35% of the software applications were upgraded, remediated, or retired. Several non-information technology functions were also improved including manufacturing facilities and customer support areas. The Company also took this opportunity to leverage Year 2000 contingency planning activities into disaster recovery plans for locations around the world.

Risks

The Company continues to evaluate the risks associated with potential delayed impact Year 2000 related failures. The failure to correct a material Year 2000 problem could result in an interruption in, or a failure of, certain 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 Year 2000 problem, resulting in part from 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, financial condition, and results of operations. The Company's Year 2000 project has significantly reduced the Company's level of uncertainty about the Year 2000 problem and, in particular, about the Year 2000 compliance and readiness of its critical vendors. The Company believes 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 has been 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 the 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 currency for these 11 countries.

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 including 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. Currently, the responses to the 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 products are heavily regulated by organizations specific to each country and as a result, transactions between countries are infrequent.

Information systems

The Company is continuing to gain a more complete view of the impact of the Euro conversion on its information systems. The Company realizes it 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.

All systems will be tested 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 and the 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. The 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 such contracts.

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 eliminate uneven amounts and decimals resulting from the conversion.

The Committee has identified the new amounts of the share capital per the requested minimum capital requirements issued by the EU. The Committee is currently in the process of coordinating all activities related to these changes such as meetings of the subsidiary board of directors, shareholder meetings, changes in by-laws and defining the appropriate accounting transactions. The Company anticipates that all required changes will be completed during fiscal year 2001. The Company does not anticipate material exposure 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 operations, financial position or cash flows.

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

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 foreign 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 adverse affect on the Company's results 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 forward 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 intercompany receivables 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 financial instruments are not used for trading purposes. The 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:

Hedged Currency	(BUY) / SELL Local Currency	Weighted Forward Contract Rate	US$ @ Forward Rate	Unrealized Gain / (Loss)	Maturity
Euro Equivalent	7,500,000	$1.146	$ 7,617,200	$ 974,050	Jan-Mar 2000
Euro Equivalent	7,500,000	$1.054	$ 7,666,050	$ 240,100	Apr-Jun 2000
Euro Equivalent	7,200,000	$1.077	$ 7,406,600	$ 350,560	Jul-Sep 2000
Euro Equivalent	7,500,000	$1.108	$ 7,764,650	$ 542,850	Oct-Dec 2000
Japanese Yen	1,670,000,000	125.4 per US$	$16,424,539	$(3,110,725)	Jan-Mar 2000
Japanese Yen	1,850,000,000	117.3 per US$	$18,453,408	$(2,678,928)	Apr-Jun 2000
Japanese Yen	1,975,000,000	111.9 per US$	$20,016,763	$(2,368,147)	Jul-Sep 2000
Japanese Yen	2,075,000,000	99.7 per US$	$21,376,225	$ (555,363)	Oct-Dec 2000

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 $8.1 million. Assuming a 10% weakening of the U.S. dollar relative to all other major currencies, the fair value of all forward contracts would decrease by $9.2 million.

Interest Rate Risk

Approximately 91%, 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 December 25, 1999, the fair value of the Company's long-term debt was approximately equivalent to the value of the debt reflected on the Company's financial statements. Approximately 88% of the Company's outstanding long-term borrowing is represented by the $40 million in 7.05% fixed rate senior notes at December 25, 1999.

Using scenario analysis, the Company changed the interest rate on all long-term maturities by 10% from the rate levels, which existed at December 25, 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

None

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.

HAEMONETICS CORPORATION

Date: February 2, 2000 By: s/ James L. Peterson

James L. Peterson,
President and Chief Executive Officer

Date: February 2, 2000 By: s/ Ronald J. Ryan

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

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DEC-25-1999
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