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

FORM 8-K

CURRENT REPORT

Pursuant to Section 13 OR 15(d) of The Securities Exchange Act of 1934

Date of Report (Date of earliest event reported) February 1, 2010

HAEMONETICS CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts
(State or other jurisdiction
of incorporation)

1-10730
(Commission
File Number)

04-2882273
(I.R.S. Employer
Identification No.)

400 Wood Road
(Address of principal executive offices)

02184
(Zip Code)

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

(Former name or former address, if changed since last report.)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
 - Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
 - Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
 - Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))
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Item 2.02 RESULTS OF OPERATIONS AND FINANCIAL CONDITION

On February 1, 2010, Haemonetics Corporation (the “Company”) issued a press release announcing financial results for the third quarter ended December 26, 2009. A copy of the release is furnished with this report as exhibit 99.1.

The information in this current report on Form 8-K and the exhibit attached hereto shall not be deemed “filed” for the purposes of Section 18 of the Securities and Exchange Act of 1934 (the “Exchange Act”) or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933 or the Exchange Act, regardless of any general incorporation language in such filing.

Item 9.01 FINANCIAL STATEMENTS AND EXHIBITS

(c) Exhibits

99.1: Press Release of Haemonetics Corporation dated February 1, 2010 announcing financial results for the third quarter ended December 26, 2009.

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 hereunto duly authorized.

HAEMONETICS CORPORATION
(Registrant)

Date: February 1, 2010

/s/ Christopher Lindop
Christopher Lindop, Vice President
and Chief Financial Officer

EXHIBIT INDEX

99.1 Press Release issued by Haemonetics Corporation on February 1, 2010.

FOR RELEASE:

Date: February 1, 2010

Time: 8:30 am Eastern

CONTACT:

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Haemonetics Reports Double Digit Growth in Earnings Per Share for Third Quarter Fiscal 2010

Braintree, MA, February 1, 2010 – Haemonetics Corporation (NYSE: HAE) reported third quarter GAAP net revenues of \$165 million, up 6%, net income of \$18 million, up 13%, and earnings per share of \$0.71, up 13%. Year-to-date, Haemonetics' GAAP net revenues are \$476 million, up 7%; net income is \$54 million, up 20%; and earnings per share are \$2.08, up 20%.

Excluding restructuring charges in fiscal 2009 which did not recur in fiscal 2010, adjusted third quarter net income growth was 11% and adjusted earnings per share growth was 11%. Adjusted year-to-date net income growth is 16% and earnings per share are up 16%.¹

Haemonetics ended the third quarter with \$169 million in cash and \$20 million of debt, and generated \$21 million of free cash flow. The Company spent \$34 million on share repurchases in the quarter, completing a \$40 million share repurchase plan.

Brian Concannon, Haemonetics' President and CEO, said, "As we close out the year, we are well positioned to continue our legacy of delivering consistent, double digit operating income and earnings per share growth. Revenue results are solid with growth spread across multiple product lines. Our blood management solutions are gaining traction particularly in our hospital products, and that is translating into results. And our announcement this morning of our intent to acquire Global Med Technologies Inc., reinforces our commitment to being the leading provider of blood management solutions for our customers."

In addition to revenue and earnings growth, Haemonetics reported the following results (comparisons also exclude the restructuring charges in last fiscal year): In the quarter, gross margin is 51.7%, up 140 basis points. Operating expenses are \$60 million, up 12%. Operating income is \$26 million, up 4%, and operating margin is 15.6%, down 40 basis points. Key strategic investments were made in the quarter, and full year expenses are in line with expectations. Year-to-date, gross margin is 52.4%, up 160 basis points. Operating expenses are \$170 million, up 9%. Operating income is \$79 million, up 13%, and operating margin is 16.6%, up 90 basis points. ¹

The Company tightened its full year guidance ranges to 8-9% revenue growth (from 8-11%) and earnings per share in a range of \$2.80 to \$2.85 (from \$2.75-\$2.85). Operating income growth guidance increases to 15-16% (from 12-15%).

STRATEGIC AND SEGMENT GROWTH HIGHLIGHTS

Haemonetics continues to make progress expanding its business. The Company reported the following highlights related to its blood management solutions strategy:

- An Agreement and Plan of Merger signed with Global Med Technologies, Inc. to substantially complete the software component of Haemonetics' blood management solutions offering
- 12 customers currently engaged in Haemonetics' comprehensive, account-wide blood management programs
- 8 customers engaged in device-specific blood management programs
- 29 accounts having completed the baseline assessment for Haemonetics' solutions for device implementation in specific departments
- OrthoPAT® orthopedic perioperative autotransfusion system consumables sales increased 8%

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- TEG® hemostasis analyzer consumables sales increased 18%
- CardioPAT® cardiovascular perioperative autotransfusion system consumables sales increased 25%

As noted, Haemonetics' third quarter fiscal 2010 revenues were \$165 million, up 6%. Reported revenues break down as follows:

Plasma disposables revenue was \$59 million for the quarter, up 10%. Year-to-date Plasma revenues are \$177 million, up 18%. As anticipated, plasma collection growth moderated in the quarter sequentially, but even as plasma collection growth moderates, Haemonetics expects its plasma business will continue to be an ongoing revenue growth driver. The Company will continue to benefit not only from market growth, but also from market share gains and price improvements. Haemonetics expects full year Plasma revenue growth in a range of 18-19%.

Platelet disposables (formerly reported as Blood Bank) revenue was \$40 million for the quarter, up 9%. Year-to-date Platelet revenues are \$111 million, up 3%. Platelet sales were strong in the quarter against the first half of fiscal 2010 as the distribution business in key markets strengthened. Haemonetics expects full year Platelet revenue growth in a range of 1-2%.

Red Cell disposables revenue was \$12 million for the quarter, down 8%. Year-to-date Red Cell revenues are \$35 million, down 4%. Aggregate demand for red cells by hospitals remains down from last year, stemming partly from an increased focus by hospitals on transfusion triggers and the reduction in elective surgeries. The reduced demand for blood continues to impact Haemonetics' automated red cell collection systems. Haemonetics anticipates annual Red Cell revenue will decline 4-5%.

Software Solutions revenue was \$8 million for the quarter, up 9%. Year-to-date Software Solutions revenues are \$26 million, up 18%. Haemonetics benefited from sales from its acquired companies, Altivation® and Neoteric, whose sales were not included in the third quarter of last fiscal year. Haemonetics estimates annual Software Solutions revenue growth of 9-13%.

Haemonetics' Hospital disposable systems grew in the quarter as the Company's blood management solutions began to influence hospitals' purchasing. By product line, Surgical revenue was \$18 million, up 1% in the quarter, and \$52 million, up 2% year-to-date. OrthoPAT disposables revenue was \$10 million, up 8% in the quarter, and \$27 million, up 3% year-to-date. Diagnostics revenue was \$6 million in the quarter, up 11%, and \$15 million, flat year-to-date. Unlike Haemonetics' other products in which the Company reports disposables revenues separately, Diagnostics revenues include equipment and disposable sales. Year-to-date Diagnostics revenues have been impacted by the decline in hospital capital spending. Haemonetics saw a reversal of that trend in the third quarter for positive overall revenues. Year-to-date Diagnostics disposables revenue growth is up 12%. Haemonetics expects revenue will be up 4-5% for Surgical, up 5-7% for the OrthoPAT system, and up 7-9% for Diagnostics for the year.

Mr. Concannon added, "I am pleased to report several product line revenue growth rates increasing sequentially even as our Plasma business growth rates moderate as anticipated. Revenue growth reflects a more balanced product mix now that we're seeing recovery in other product lines and geographies. Beyond the improving macro environment, our blood management solutions are gaining traction."

Haemonetics has posted several items on its website: fiscal 2010 guidance; income scenarios reflecting guidance ranges; and potential fiscal 2010 product line growth. The information is posted at <http://www.haemonetics.com/site/content/investor/guidance.asp>.

CONFERENCE CALL

Haemonetics will host a webcast on Monday, February 1st at 10:00 am Eastern to discuss these results. Interested parties can participate at <http://phx.corporate-ir.net/phoenix.zhtml?p=irol-eventDetails&c=72118&eventID=2662404>.

Haemonetics (NYSE: HAE) is a global healthcare company dedicated to providing innovative blood management solutions for our customers. Together, our devices and consumables, information technology platforms, and consulting services deliver a suite of business solutions to help our customers improve clinical outcomes and reduce the cost of healthcare for blood collectors, hospitals, and patients around the world. Our technologies address important medical markets: blood and plasma component collection, the surgical suite, and hospital transfusion services. To learn more about Haemonetics, visit our 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 and standards for transfusion medicine and our ability to successfully implement products that incorporate such advances and standards, product demand, market acceptance, regulatory uncertainties, the effect of economic and political conditions, the impact of competitive products and pricing, blood product reimbursement policies and practices, foreign currency exchange rates, changes in customers' ordering patterns, the effect of industry consolidation as seen in the plasma market, the effect of communicable diseases and the effect of uncertainties in markets outside the U.S. (including Europe and Asia) in which we operate and other risks detailed in the Company's filings with the Securities and Exchange Commission. The foregoing list should not be construed as exhaustive. 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.

This release is for informational purposes only and is not an offer to buy or the solicitation of an offer to sell any securities. Atlas Acquisition Corp.'s, a wholly-owned subsidiary of Haemonetics, tender offer for the shares of Global Med's capital stock has not commenced. The solicitation and the offer to buy shares of Global Med's capital stock will only be made pursuant to a tender offer statement on a Schedule TO, including an offer to purchase and other related material that Atlas Acquisition Corp. intends to file with the SEC. Global Med will file a solicitation/recommendation statement on Schedule 14D-9. Once filed, Global Med stockholders should read all of these materials carefully prior to making any decisions with respect to the offer because they contain important information.

Once filed, Global Med stockholders will be able to obtain the tender offer statement on Schedule TO, the offer to purchase, and related materials with respect to the offer, free of charge at the SEC's website at www.sec.gov, from the information agent named in the tender offer materials, or by sending a written request to Atlas Acquisition Corp. Requests for documents from Atlas Acquisition Corp. or Haemonetics should be submitted in writing to Haemonetics, Attn: Investor Relations, 400 Wood Road, Braintree, MA 02184 USA. In addition, Haemonetics and Global Med each file annual, quarterly, and other reports with the SEC. Copies of these reports or other SEC filings are available for free at the SEC public reference room at 100 F Street, NE, Washington, DC 20549 and www.sec.gov.

¹ A reconciliation of GAAP to adjusted financial results is included at the end of the financial sections of this press release as well as on the web at <http://www.haemonetics.com/investors>. In the third quarter and year-to-date of fiscal 2009, Haemonetics incurred \$0.4 million and \$2.7 million respectively in pre-tax restructuring costs. Haemonetics has incurred no restructuring costs year-to-date in fiscal 2010.

Haemonetics Corporation Financial Summary
(Unaudited data in thousands, except per share data)

Consolidated Statements of Income for the Third Quarter FY10

| | 12/26/09 As Reported/ | 12/27/08 As Reported | % Inc/(Dec) vs Prior Year |
|--|--------------------------|-------------------------|---|
| NET REVENUES | \$ 165,169 | \$ 155,447 | 6.3% |
| Gross profit | 85,447 | 78,296 | 9.1% |
| R&D | 6,461 | 5,840 | 10.6% |
| S,G&A | 53,151 | 47,965 | 10.8% |
| Operating expenses | <u>59,613</u> | <u>53,805</u> | 10.8% |
| Operating income | 25,835 | 24,491 | 5.5% |
| Interest expense | (248) | (20) | 1140.0% |
| Interest income | 56 | 469 | (88.1%) |
| Other (expense)/income, net | <u>(266)</u> | <u>(1,451)</u> | (81.7%) |
| Income before taxes | 25,377 | 23,489 | 8.0% |
| Tax expense | <u>7,091</u> | <u>7,273</u> | (2.5%) |
| NET INCOME | \$ 18,286 | \$ 16,216 | 12.8% |
| Net income per common share assuming dilution | \$ 0.71 | \$ 0.62 | 13.4% |
| Weighted average number of shares | | | |
| Basic | 25,289 | 25,375 | |
| Diluted | 25,907 | 26,056 | |
| Profit Margins: | | | Inc/(Dec) vs prior year profit margin % |
| Gross profit | 51.7% | 50.4% | 1.4% |
| R&D | 3.9% | 3.8% | 0.2% |
| S,G&A | 32.2% | 30.9% | 1.3% |
| Operating income | 15.6% | 15.8% | (0.1%) |
| Income before taxes | 15.4% | 15.1% | 0.3% |
| Net income | 11.1% | 10.4% | 0.6% |

Consolidated Statements of Income for FY10 Year-To-Date

| | 12/26/09 As Reported/ | 12/27/08 As Reported | % Inc/(Dec) vs Prior Year |
|--|--------------------------|-------------------------|---|
| NET REVENUES | \$ 476,326 | \$ 445,482 | 6.9% |
| Gross profit | 249,357 | 226,022 | 10.3% |
| R&D | 19,714 | 16,901 | 16.6% |
| S,G&A | 150,459 | 141,687 | 6.2% |
| Operating expenses | <u>170,173</u> | <u>158,588</u> | 7.3% |
| Operating income | 79,184 | 67,434 | 17.4% |
| Interest expense | (722) | (54) | 1237.0% |
| Interest income | 309 | 1,623 | (81.0%) |
| Other (expense)/income, net | <u>(1,389)</u> | <u>(2,366)</u> | (41.3%) |
| Income before taxes | 77,382 | 66,637 | 16.1% |
| Tax expense | <u>22,973</u> | <u>21,272</u> | 8.0% |
| NET INCOME | <u>\$ 54,409</u> | <u>\$ 45,365</u> | 19.9% |
| Net income per common share assuming dilution | \$ 2.08 | \$ 1.73 | 20.0% |
| Weighted average number of shares | | | |
| Basic | 25,544 | 25,340 | |
| Diluted | 26,150 | 26,163 | |
| Profit Margins: | | | Inc/(Dec) vs prior year profit margin % |
| Gross profit | 52.4% | 50.7% | 1.6% |
| R&D | 4.1% | 3.8% | 0.3% |
| S,G&A | 31.6% | 31.8% | (0.2%) |
| Operating income | 16.6% | 15.1% | 1.5% |
| Income before taxes | 16.2% | 15.0% | 1.3% |
| Net income | 11.4% | 10.2% | 1.2% |

Revenue Analysis for the Third Quarter and Year-To-Date FY10

| | 12/26/09 | Third Quarter | % Inc/(Dec) vs Prior Year |
|-------------------------------|-------------------|-------------------------|------------------------------|
| | As Reported/ | 12/27/08 As Reported | |
| Revenues by geography | | | |
| United States | \$ 74,997 | \$ 73,448 | 2.1% |
| International | \$ 90,172 | \$ 81,999 | 10.0% |
| Net revenues | <u>\$ 165,169</u> | <u>\$ 155,447</u> | 6.3% |
| Disposable revenues | | | |
| Plasma disposables | \$ 59,177 | \$ 53,594 | 10.4% |
| Blood bank disposables | | | |
| Platelet | \$ 39,793 | \$ 36,435 | 9.2% |
| Red cell | \$ 12,022 | \$ 13,051 | (7.9%) |
| | <u>\$ 51,815</u> | <u>\$ 49,486</u> | 4.7% |
| Hospital disposables | | | |
| Surgical | \$ 17,864 | \$ 17,742 | 0.7% |
| OrthoPAT | \$ 9,864 | \$ 9,112 | 8.3% |
| Diagnostics | \$ 5,813 | \$ 5,225 | 11.3% |
| | <u>\$ 33,541</u> | <u>\$ 32,079</u> | 4.6% |
| Subtotal | \$ 144,533 | \$ 135,159 | 6.9% |
| Software solutions | \$ 8,256 | \$ 7,576 | 9.0% |
| Equipment & other | \$ 12,380 | \$ 12,712 | (2.6%) |
| Net revenues | <u>\$ 165,169</u> | <u>\$ 155,447</u> | 6.3% |

| | 12/26/09 | Nine Months Ended | % Inc/(Dec) vs Prior Year |
|-------------------------------|-------------------|-------------------------|------------------------------|
| | As Reported/ | 12/27/08 As Reported | |
| Revenues by geography | | | |
| United States | \$ 225,223 | \$ 205,748 | 9.5% |
| International | \$ 251,103 | \$ 239,734 | 4.7% |
| Net revenues | <u>\$ 476,326</u> | <u>\$ 445,482</u> | 6.9% |
| Disposable revenues | | | |
| Plasma disposables | \$ 177,469 | \$ 150,386 | 18.0% |
| Blood bank disposables | | | |
| Platelet | \$ 111,350 | \$ 108,388 | 2.7% |
| Red cell | \$ 35,285 | \$ 36,651 | (3.7%) |
| | <u>\$ 146,635</u> | <u>\$ 145,039</u> | 1.1% |
| Hospital disposables | | | |
| Surgical | \$ 51,920 | \$ 50,995 | 1.8% |
| OrthoPAT | \$ 27,126 | \$ 26,301 | 3.1% |
| Diagnostics | \$ 15,092 | \$ 15,082 | 0.1% |
| | <u>\$ 94,138</u> | <u>\$ 92,378</u> | 1.9% |
| Subtotal | \$ 418,242 | \$ 387,803 | 7.8% |
| Software solutions | \$ 25,810 | \$ 21,913 | 17.8% |
| Equipment & other | \$ 32,274 | \$ 35,766 | (9.8%) |
| Net revenues | <u>\$ 476,326</u> | <u>\$ 445,482</u> | 6.9% |

Consolidated Balance Sheets

| | Period ending | |
|---|---------------|------------|
| | 12/26/09 | 3/29/09 |
| Assets | | |
| Cash & cash equivalents | \$ 168,993 | \$ 156,721 |
| Accounts receivable, net | 114,732 | 113,598 |
| Inventories, net | 78,806 | 76,522 |
| Other current assets | 31,577 | 35,552 |
| Total current assets | 394,107 | 382,393 |
| Net PP&E | 154,006 | 137,807 |
| Other assets | 154,099 | 129,493 |
| Total assets | \$ 702,212 | \$ 649,693 |
| | | |
| | Period ending | |
| | 12/26/09 | 3/29/09 |
| Liabilities & Stockholders' Equity | | |
| S/T debt & current maturities | \$ 15,132 | \$ 695 |
| Other current liabilities | 92,013 | 92,168 |
| Total current liabilities | 107,145 | 92,863 |
| Long-term debt | 4,778 | 5,343 |
| Other long-term liabilities | 17,209 | 11,603 |
| Stockholders' equity | 573,080 | 539,884 |
| Total liabilities & equity | \$ 702,212 | \$ 649,693 |

Free Cash Flow Reconciliation

| | Three Months Ended | |
|---|--------------------|-----------------|
| | 12/26/09 | 12/27/08 |
| GAAP cash flow from operations | \$ 32,502 | \$ 30,881 |
| Capital expenditures | (11,996) | (16,895) |
| Proceeds from sale of property, plant and equipment | 227 | 25 |
| Net investment in property, plant and equipment | <u>(11,769)</u> | <u>(16,870)</u> |
| Free cash flow | \$ 20,733 | \$ 14,011 |

| | Nine Months Ended | |
|---|-------------------|-----------------|
| | 12/26/09 | 12/27/08 |
| GAAP cash flow from operations | \$ 93,981 | \$ 72,658 |
| Capital expenditures | (44,876) | (45,670) |
| Proceeds from sale of property, plant and equipment | 610 | 2,522 |
| Net investment in property, plant and equipment | <u>(44,266)</u> | <u>(43,148)</u> |
| Free cash flow | \$ 49,715 | \$ 29,510 |

Haemonetics Corporation Financial Summary
Reconciliation of Non-GAAP Measures

Haemonetics has presented supplemental non-GAAP financial measures as part of this earnings release. A reconciliation is provided below that reconciles each non-GAAP financial measure with the most comparable GAAP measure. The presentation of non-GAAP financial measures should not be considered in isolation from, or as a substitute for, the most directly comparable GAAP measures. There are material limitations to the usefulness of non-GAAP measures on a standalone basis, including the lack of comparability to the GAAP financial results of other companies.

These measures are used by management to monitor the financial performance of the business, inform business decision making, and forecast future results. Performance targets for management are established based upon these non-GAAP measures. In the reconciliations below, we have removed restructuring costs from our GAAP expenses. These restructuring costs result from a significant transformation of our business during our fiscal years 2009 and 2008. This transformation resulted in the formation of a shared service center in Europe, exiting various offices across Europe and Japan and, most recently, in repositioning our technical operations organization. We believe this information is useful for investors because it allows for an evaluation of the Company with a focus on the performance of our core operations.

Non-GAAP Gross Profit

The use of these non-GAAP measures allows management to monitor the level of total gross profits without the costs of our business transformation. We establish our budgets, forecasts, and performance targets on this basis.

Non-GAAP S,G&A and Non-GAAP Operating Expenses

The use of this non-GAAP measure allows management to monitor the ongoing level of spend that is necessary to support the business in a period when we are not transforming our business or completing an acquisition of in-process research and development. We establish our budgets, forecasts, and performance targets excluding these costs.

Non-GAAP Operating Income and Non-GAAP Income before Income Taxes

The use of these non-GAAP measures allows management to monitor the level of operating and total pre-tax profits without the costs of our business transformation. We establish our budgets, forecasts, and performance targets on this basis.

Non-GAAP Net Income and Earnings per Share

The use of these non-GAAP measures allows management to monitor the level of net income and earnings per share excluding both the costs of our business transformation, as well as any related tax effects. We establish our budgets, forecasts, and performance targets on this basis.

Reconciliation of Non-GAAP Measures for the Third Quarter of FY10 and FY09

| | 12/26/09 | 12/27/08 |
|--|------------------|------------------|
| Non-GAAP gross profit | | |
| GAAP gross profit | \$ 85,447 | \$ 78,296 |
| Restructuring costs | 0 | 0 |
| Non-GAAP gross profit | <u>\$ 85,447</u> | <u>\$ 78,296</u> |
| Non-GAAP S,G&A | | |
| GAAP S,G&A | \$ 53,151 | \$ 47,965 |
| Restructuring costs | 0 | (432) |
| Non-GAAP S,G&A | <u>\$ 53,151</u> | <u>\$ 47,533</u> |
| Non-GAAP operating expenses | | |
| GAAP operating expenses | \$ 59,613 | \$ 53,805 |
| Restructuring costs | 0 | (432) |
| Non-GAAP operating expenses | <u>\$ 59,613</u> | <u>\$ 53,373</u> |
| Non-GAAP operating income | | |
| GAAP operating income | \$ 25,835 | \$ 24,491 |
| Restructuring costs | 0 | 432 |
| Non-GAAP operating income | <u>\$ 25,835</u> | <u>\$ 24,923</u> |
| Non-GAAP income before taxes | | |
| GAAP income before taxes | \$ 25,377 | \$ 23,489 |
| Restructuring costs | 0 | 432 |
| Non-GAAP income before taxes | <u>\$ 25,377</u> | <u>\$ 23,921</u> |
| Non-GAAP net income | | |
| GAAP net income | \$ 18,286 | \$ 16,216 |
| Restructuring costs | 0 | 432 |
| Tax benefit associated with restructuring costs | 0 | (152) |
| Non-GAAP net income | <u>\$ 18,286</u> | <u>\$ 16,496</u> |
| Non-GAAP net income per common share assuming dilution | | |
| GAAP net income per common share assuming dilution | \$ 0.71 | \$ 0.62 |
| Restructuring costs after tax per common share assuming dilution | \$ 0.00 | \$ 0.01 |
| Non-GAAP net income per common share assuming dilution | <u>\$ 0.71</u> | <u>\$ 0.63</u> |

Reconciliation of Non-GAAP Measures for the First Nine Months of FY10 and FY09

| | 12/26/09 | 12/27/08 |
|--|-------------------|-------------------|
| Non-GAAP gross profit | | |
| GAAP gross profit | \$ 249,357 | \$ 226,022 |
| Restructuring costs | 0 | 72 |
| Non-GAAP gross profit | <u>\$ 249,357</u> | <u>\$ 226,094</u> |
| Non-GAAP S,G&A | | |
| GAAP S,G&A | \$ 150,459 | \$ 141,687 |
| Restructuring costs | 0 | (2,605) |
| Non-GAAP S,G&A | <u>\$ 150,459</u> | <u>\$ 139,082</u> |
| Non-GAAP operating expenses | | |
| GAAP operating expenses | \$ 170,173 | \$ 158,588 |
| Restructuring costs | 0 | (2,605) |
| Non-GAAP operating expenses | <u>\$ 170,173</u> | <u>\$ 155,983</u> |
| Non-GAAP operating income | | |
| GAAP operating income | \$ 79,184 | \$ 67,434 |
| Restructuring costs | 0 | 2,677 |
| Non-GAAP operating income | <u>\$ 79,184</u> | <u>\$ 70,111</u> |
| Non-GAAP income before taxes | | |
| GAAP income before taxes | \$ 77,382 | \$ 66,637 |
| Restructuring costs | 0 | 2,677 |
| Non-GAAP income before taxes | <u>\$ 77,382</u> | <u>\$ 69,314</u> |
| Non-GAAP net income | | |
| GAAP net income | \$ 54,409 | \$ 45,365 |
| Restructuring costs | 0 | 2,677 |
| Tax benefit associated with restructuring costs | 0 | (939) |
| Non-GAAP net income | <u>\$ 54,409</u> | <u>\$ 47,103</u> |
| Non-GAAP net income per common share assuming dilution | | |
| GAAP net income per common share assuming dilution | \$ 2.08 | \$ 1.73 |
| Restructuring costs after tax per common share assuming dilution | \$ 0.00 | \$ 0.07 |
| Non-GAAP net income per common share assuming dilution | <u>\$ 2.08</u> | <u>\$ 1.80</u> |