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

FORM 10-Q

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

For the quarter ended: June 27, 2009

Commission File Number: 1-10730

HAEMONETICS CORPORATION
(Exact name of registrant as specified in its charter)

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

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

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

Indicate by check mark whether the registrant (1.) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports) (2.) has been subject to the filing requirements for at least the past 90 days.

Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes o No o

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, or a smaller reporting company. See definition of "large accelerated filer", "accelerated filer" and "smaller reporting company" in Rule 12b-2 of the Exchange Act (Check one):

Large accelerated filer ☑	Accelerated filer o	Non-accelerated filer o (Do not check if a smaller reporting company)	Smaller reporting company o

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

Yes o No ☑

The number of shares of $.01 par value common stock outstanding as of June 27, 2009:

25,688,383

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ITEM 1. FINANCIAL STATEMENTS

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

	Three months ended	
	June 27, 2009	June 28, 2008
Net revenues	$ 154,087	$ 144,116
Cost of goods sold	71,144	71,079
Gross profit	82,943	73,037
Operating expenses:		
Research, development and engineering	6,777	5,844
Selling, general and administrative	49,839	47,859
Total operating expenses	56,616	53,703
Operating income	26,327	19,334
Interest expense	(214)	(24)
Interest income	157	654
Other (expense)/income, net	(335)	375
Income before provision for income taxes	25,935	20,339
Provision for income taxes	7,862	5,998
Net income	$ 18,073	$ 14,341
Basic income per common share		
Net income	$ 0.70	$ 0.56
Income per common share assuming dilution		
Net income	$ 0.69	$ 0.54
Weighted average shares outstanding		
Basic	25,658	25,607
Diluted	26,201	26,517

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

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

	June 27, 2009 (Unaudited)	March 28, 2009
ASSETS		
Current assets:		
Cash and cash equivalents	$ 173,822	$ 156,721
Accounts receivable, less allowance of $3,033 at June 27, 2009 and $2,312 at March 28, 2009	114,161	113,598
Inventories, net	76,097	76,522
Deferred tax asset, net	8,473	7,190
Prepaid expenses and other current assets	23,601	28,362
Total current assets	396,154	382,393
Property, plant and equipment:		
Land, building and building improvements	43,611	42,540
Plant equipment and machinery	113,373	108,572
Office equipment and information technology	61,744	52,461
Haemonetics equipment	201,924	194,290
Total property, plant and equipment	420,652	397,863
Less: accumulated depreciation	(270,265)	(260,056)
Net property, plant and equipment	150,387	137,807
Other assets:		
Other intangibles, less amortization of $27,349 at June 27, 2009 and $25,508 at March 28, 2009	72,008	65,261
Goodwill	64,730	56,426
Deferred tax asset, long term	3,765	3,007
Other long-term assets	4,898	4,799
Total other assets	145,402	129,493
Total assets	$ 691,943	$ 649,693
LIABILITIES AND STOCKHOLDERS’ EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt	$ 17,200	$ 695
Accounts payable	23,448	20,652
Accrued payroll and related costs	21,369	30,771
Accrued income taxes	1,788	2,833
Other liabilities	40,247	37,912
Total current liabilities	104,052	92,863
Long-term debt, net of current maturities	5,160	5,343
Long-term deferred tax liability	5,871	3,129
Other long-term liabilities	13,007	8,474
Commitments and contingencies (Note 13)		
Stockholders’ equity:		
Common stock, $0.01 par value; Authorized - 150,000,000 shares; Issued and outstanding— 25,688,383 shares at June 27, 2009 and 25,622,449 shares at March 28, 2009	257	256
Additional paid-in capital	232,221	226,829
Retained earnings	327,589	309,516
Accumulated other comprehensive income	3,786	3,283
Total Stockholders’ equity	563,853	539,884
Total liabilities and stockholders’ equity	$ 691,943	$ 649,693

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

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

	Common Stock		Additional Paid-in Capital	Retained Earnings	Accumulated Other Comprehensive Income / (Loss)	Total Stockholders' Equity	Comprehensive Income
	Shares	$'s					
Balance, March 28, 2009	25,622	$256	$226,829	$309,516	$ 3,283	$539,884	
Employee stock purchase plan	33	1	1,456	—	—	1,457	
Exercise of stock options and related tax benefit	33	—	1,157	—	—	1,157	
Stock Compensation expense	—	—	2,779	—	—	2,779	
Net income	—	—	—	18,073	—	18,073	18,073
Foreign currency translation adjustment	—	—	—	—	2,631	2,631	2,631
Unrealized loss on hedges					(1,008)	(1,008)	(1,008)
Reclassification of hedge gain to earnings	—	—	—	—	(1,120)	(1,120)	(1,120)
Comprehensive income	—	—	—	—	—	—	18,576
Balance, June 27, 2009	25,688	$257	$232,221	$327,589	$ 3,786	$563,853	

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

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

	Three Months Ended	
	June 27, 2009	June 28, 2008
Cash Flows from Operating Activities:		
Net income	$ 18,073	$ 14,341
Adjustments to reconcile net income to net cash provided by operating activities:		
Non cash items:		
Depreciation and amortization	10,058	7,986
Stock compensation expense	2,779	2,367
Loss on sales of plant, property and equipment	99	1,352
Unrealized (gain)/loss from hedging activities	(1,519)	1,985
Accretion of interest expense on contingent consideration	200	—
Change in operating assets and liabilities:		
Decrease/(increase) in accounts receivable, net	1,222	(10,448)
Decrease/(increase) in inventories	625	(4,865)
Decrease/(increase) in prepaid income taxes	6,737	(639)
Decrease/(increase) in other assets and other long-term liabilities	(3,633)	(5,658)
Tax benefit of exercise of stock options	173	604
(Decrease)/increase in accounts payable and accrued expenses	(9,108)	6,817
Net cash provided by operating activities	25,706	13,842
Cash Flows from Investing Activities:		
Capital expenditures on property, plant and equipment	(21,204)	(12,395)
Proceeds from sale of property, plant and equipment	201	2,476
Acquisition of Neoteric	(6,613)	—
Acquisition of Medicell	(307)	(2,362)
Net cash used in investing activities	(27,923)	(12,281)
Cash Flows from Financing Activities:		
Payments on long-term real estate mortgage	(183)	(155)
Net increase in short-term revolving credit agreements	16,505	3,178
Employee stock purchase plan	1,457	1,396
Exercise of stock options	909	4,779
Excess tax benefit on exercise of stock options	156	1,282
Stock repurchase	—	(24,945)
Net cash provided by/(used in) financing activities	18,844	(14,465)
Effect of exchange rates on cash and cash equivalents	474	(362)
Net Increase/(Decrease) in Cash and Cash Equivalents	17,101	(13,266)
Cash and Cash Equivalents at Beginning of Year	156,721	133,553
Cash and Cash Equivalents at End of Period	$ 173,822	$ 120,287
Non-cash Investing and Financing Activities:		
Transfers from inventory to fixed assets for placements of Haemonetics equipment	$ 2,024	$ 993
Supplemental Disclosures of Cash Flow Information:		
Interest paid	$ 130	$ 139
Income taxes paid	$ 2,980	$ 3,923

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

1. BASIS OF PRESENTATION

Our accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States 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. Certain reclassifications were made to prior year balances to conform with the presentation of the financial statements for the three months ended June 27, 2009. Operating results for the three month period ended June 27, 2009 are not necessarily indicative of the results that may be expected for the full fiscal year ending April 3, 2010, or any other interim period. These unaudited consolidated financial statements should be read in conjunction with our audited consolidated financial statements and footnotes included in our annual report on Form 10-K for the fiscal year ended March 28, 2009.

Our fiscal year ends on the Saturday closest to the last day of March. Fiscal year 2010 includes 53 weeks with each of the first three quarters having 13 weeks and the fourth quarter having 14 weeks. Fiscal year 2009 included 52 weeks with all four quarters having 13 weeks.

Revenue Recognition

Our revenue recognition policy is to recognize revenues from product sales, software and services in accordance with SAB No. 104, "Revenue Recognition" , EITF 00-21, "Revenue Arrangements with Multiple Deliverables" and Statement of Position ("SOP") 97-2, "Software Revenue Recognition, as amended". These standards require that revenues are recognized when persuasive evidence of an arrangement exists, product delivery, including customer acceptance, has occurred or services have been rendered, the price is fixed or determinable and collectibility is reasonably assured. When more than one element such as equipment, disposables and services are contained in a single arrangement, we allocate revenue between the elements based on each element's relative fair value, provided that each element meets the criteria for treatment as a separate unit of accounting. An item is considered a separate unit of accounting if it has value to the customer on a stand alone basis and there is objective and reliable evidence of the fair value of the undelivered items. The fair value of the undelivered elements is determined by the price charged when the element is sold separately, or in cases when the item is not sold separately, by using other objective evidence as defined in EITF 00-21, or vendor specific objective evidenced under SOP 97-2.

Product Revenues

Product sales consist of the sale of our equipment devices and the related disposables used with these devices. On product sales to end customers, revenue is recognized when both the title and risk of loss have transferred to the customer as determined by the shipping terms and all obligations have been completed. Examples of common post delivery obligations are installation and training. For product sales to distributors, we recognize revenue for both equipment and disposables upon shipment of these products to our distributors. Our standard contracts with our distributors state that title to the equipment passes to the distributors at point of shipment to a distributor's location. The distributors are responsible for shipment to the end customer along with installation, training and acceptance of the equipment by the end customer. All shipments to distributors are at contract prices and payment is not contingent upon resale of the product.

Software SolutionsRevenues

At this time, our software solutions business principally provides support to our plasma and blood collection customers. Through our Haemonetics Software Solutions unit, we provide information technology platforms and technical support for donor recruitment, blood and plasma testing laboratories, and for efficient and compliant operations of blood and plasma collection centers. For plasma customers, we also provide information technology platforms for managing distribution of plasma from collection centers to plasma fractionation facilities. Software license revenues are generally billed periodically, monthly or quarterly and recognized for the period for which the service is provided. Our software solutions business model includes the provision of services, including in some instances hosting, technical support, and maintenance, for the payment of periodic, monthly or quarterly fees. We recognize these fees and charges as earned, typically as these services are provided during the contract period.

Subsequent Events

The company has evaluated subsequent events through August 5, 2009 (the date the unaudited financial statements were issued) and has determined that there were no recognized and no non-recognized events to be disclosed.

2. RECENT ACCOUNTING PRONOUNCEMENTS

In December 2007, the FASB issued SFAS No. 141 (revised 2007), “Business Combinations” (“SFAS 141(R)”). In SFAS 141(R), the FASB retained the fundamental requirements of Statement No. 141 to account for all business combinations using the acquisition method (formerly the purchase method) and for an acquiring entity to be identified in all business combinations. However, the new standard requires the acquiring entity in a business combination to recognize all (and only) the assets acquired and liabilities assumed in the transaction; establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and requires the acquirer to disclose to investors and other users all of the information they need to evaluate and understand the nature and financial effect of the business combination. SFAS 141(R) is effective for annual periods beginning on or after December 15, 2008. This statement became effective for our fiscal year 2010 and its impact is reflected in our financial position and results of operations for the three months ended June 27, 2009.

In December 2007, the FASB issued FASB No. 160 “Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51” of which the objective is to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards by requiring all entities to report noncontrolling (minority) interests in subsidiaries in the same way—as equity in the consolidated financial statements. Moreover, Statement 160 eliminates the diversity that currently exists in accounting for transactions between an entity and noncontrolling interests by requiring they be treated as equity transactions. FASB No. 160 is effective for annual periods beginning on or after December 15, 2008. This statement became effective during fiscal year 2010 and did not have an impact on our financial position and results of operations. The company’s recent acquisition of L’Attitude Medical Systems, Inc. (“Neoteric”) was accounted for under SFAS 141(R)—see Note 9.

3. EARNINGS PER SHARE (“EPS”)

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

	For the Three Months Ended June 27, 2009	June 28, 2008
	(in thousands, except per share amounts)	
Basic EPS		
Net income	$ 18,073	$ 14,341
Weighted average shares	25,658	25,607
Basic income per share	$ 0.70	$ 0.56
Diluted EPS		
Net income	$ 18,073	$ 14,341
Basic weighted average shares	25,658	25,607
Net effect of common stock equivalents	543	910
Diluted weighted average shares	26,201	26,517
Diluted income per share	$ 0.69	$ 0.54

Weighted average shares outstanding, assuming dilution, excludes the impact of 1.3 million stock options for the first quarter of fiscal year 2010 and 0.4 million stock options for the first quarter of fiscal year 2009 because these securities were anti-dilutive during the noted periods.

4. STOCK-BASED COMPENSATION

Stock-based compensation expense of $2.8 and $2.4 million was recognized for the three months ended June 27, 2009 and June 28, 2008. The related income tax benefit recognized was $0.8 and $0.7 million for the three months ended June 27, 2009 and June 28, 2008. We recognize stock-based compensation on a straight line basis.

For a more detailed description of our stock-based compensation plans, see Note 11—Capital Stock to the Company's consolidated financial statements included in our Annual Report on Form 10-K for the year ended March 28, 2009. Our stock-based compensation plans currently consist of stock options, restricted stock awards, restricted stock units and an employee stock purchase plan. Options become exercisable in the manner specified by the Compensation Committee of our Board of Directors. All options, restricted stock awards and restricted stock units granted to employees in the three months ended June 27, 2009 vest over a four year period of time and the options expire not more than 7 years from the date of grant.

Cash flows relating to the benefits of tax deductions in excess of compensation cost recognized (in our reported or proforma results) are reported as a financing cash flow, rather than as an operating cash flow. This excess tax benefit was $0.2 million and $1.3 million for the three months ended June 27, 2009 and June 28, 2008, respectively.

A summary of information related to stock options is as follows:

	Shares Options Outstanding	Weighted Average Exercise Price	Weighted Average Remaining Life (Years)	Aggregate Intrinsic Value ($000's)
Outstanding at March 28, 2009	3,054,724	$ 42.54	4.23	$ 37,601
Granted	32,845	$ 55.37		
Exercised	(32,462)	$ 28.00		
Forfeited	(6,716)	$ 49.75		
Outstanding at June 27, 2009	3,048,391	$ 42.82	4.03	$ 43,917
Exercisable at June 27, 2009	2,033,800	$ 38.53	3.45	$ 37,963
Expected to Vest at June 27, 2009	2,826,640	$ 42.18	3.95	$ 42,512

The total intrinsic value of options exercised during the three month periods ended June 27, 2009 and June 28, 2008, was $0.9 million and $5.6 million, respectively.

As of June 27, 2009 and June 28, 2008, there was $10.1 million and $12.2 million, respectively, of total unrecognized compensation cost related to non vested stock options. That cost is expected to be recognized over a weighted average period of 2.1 years. The total fair value of shares fully vested during the three months ended June 27, 2009 was $8.0 million and during the three months ended June 28, 2008 was $14.1 million.

The weighted average fair value for our options granted in the first three months of 2009 and 2008 was $15.94 and $17.32, respectively. The assumptions utilized for option grants during the periods presented are as follows:

	Three Months Ended	
	June 27, 2009	June 28, 2008
Stock Options Black-Scholes assumptions (weighted average):		
Volatility	31.85%	28.94%
Expected life (years)	4.9	4.9
Risk-free interest rate	1.79%	2.97%
Dividend yield	0.00%	0.00%

As of June 27, 2009 and June 28, 2008, there was $0.2 and $0.4 million, respectively, of total unrecognized compensation cost related to non vested restricted stock awards. That cost is expected to be recognized over a weighted average period of 1.3 years. The total fair value of restricted stock awards vested was $0.1 million for both the three months ended June 27, 2009 and June 28, 2008.

A summary of information related to restricted stock awards is as follows:

	Shares	Weighted Average Grant Date Fair Value
Nonvested at March 28, 2009	10,956	$ 50.97
Granted	—	—
Released	(2,500)	$ 48.09
Nonvested at June 27, 2009	8,456	$ 51.82

As of June 27, 2009 and June 28, 2008, there was $3.6 and $2.0 million, respectively, of total unrecognized compensation cost related to non vested restricted stock units. That cost is expected to be recognized over a weighted average period of 2.9 years. The total fair value of shares fully vested was $0.0 million for both the three months ended June 27, 2009 and June 28, 2008.

A summary of information related to restricted stock units is as follows:

	Shares	Weighted Average Market Value at Grant Date
Nonvested at March 28, 2009	102,302	$ 53.48
Granted	2,501	$ 54.09
Vested	(289)	$ 52.69
Forfeited	(598)	$ 52.66
Nonvested at June 27, 2009	103,916	$ 53.50

As of June 27, 2009, there was $0.2 million of total unrecognized compensation expense, net of estimated forfeitures, related to the Employee Stock Purchase Plan ("ESPP") shares. That cost is expected to be recognized over the remainder of fiscal year 2009.

During the three months ended June 27, 2009 and June 28, 2008, there were 33,183 and 31,474 shares purchased under the ESPP, respectively. They were purchased at $43.89 and $44.35 per share under the ESPP.

5. ACCOUNTING FOR SHIPPING AND HANDLING COSTS

Shipping and handling costs are included in cost of goods sold with the exception of $2.9 million and $3.1 million for the three month periods ended June 27, 2009 and June 28, 2008, respectively, that are included in selling, general, and administrative expenses. Freight is classified in cost of goods sold when the customer is charged for freight and in selling, general and administration when the customer is not explicitly charged for freight.

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 disposables 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 27, 2009	June 28, 2008
	(in thousands)	
Warranty accrual as of the beginning of the period	$ 1,835	$ 929
Warranty Provision	391	535
Warranty Spending	(351)	(504)
Warranty accrual as of the end of the period	$ 1,875	$ 960

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, the change in our net minimum pension liability, and the changes in fair value of the effective portion of our outstanding cash flow hedge contracts.

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 27, 2009	March 28, 2009
	(in thousands)	
Raw materials	$ 25,367	$ 23,778
Work-in-process	4,002	8,732
Finished goods	46,728	44,012
	$ 76,097	$ 76,522

9. GOODWILL, OTHER INTANGIBLE ASSETS, AND ACQUISITIONS

Goodwill

The change in the carrying amount of our goodwill during the three months ended June 27, 2009 is as follows (in thousands):

Carrying amount as of March 28, 2009	$ 56,426
L'Attitude Medical Systems Inc. (Neoteric) (a)	6,979
Altivation Software Inc. (b)	437
Medicell Ltd. (c)	583
Effect of change in rates used for translation	305
Carrying amount as of June 27, 2009	$ 64,730

(a) A description of the acquisition of L'Attitude Medical Systems, Inc. ("Neoteric"), which occurred on April 16, 2009, is included later in this footnote.

(b) See Note 3, Acquisitions, in our fiscal year 2009 Form 10-K for a full description of the acquisition of Altivation Software ("Altivation"), which occurred on March 27, 2009.

(c) See Note 3, Acqusitions, in our fiscal year 2009 Form 10-K for a full description of the acquisition of Medicell Ltd. ("Medicell"), which occurred on April 4, 2008.

Other Intangible Assets

As of June 27, 2009

	Gross Carrying Amount (in thousands)	Accumulated Amortization (in thousands)	Weighted Average Useful Life (in years)
Patents	$ 12,039	$ 5,195	11
Capitalized software	20,250	661	6
Other technology	35,788	12,100	10
Customer contracts and related relationships	30,175	9,048	12
Trade names	1,105	345	7
Total intangibles	$ 99,357	$ 27,349	10

As of March 28, 2009

	Gross CarryingAmount (in thousands)	Accumulated Amortization (in thousands)	Weighted Average Useful Life (in years)
Patents	$ 12,008	$ 4,945	11
Capitalized software	18,994	572	6
Other technology	28,784	11,501	10
Customer contracts and related relationships	29,886	8,240	12
Trade names	1,097	250	7
Total intangibles	$ 90,769	$ 25,508	11

On April 16, 2009, Haemonetics acquired the outstanding shares of L'Attitude Medical Systems Inc. ("Neoteric"). Neoteric is a medical information management company that markets a full end-to-end suite of products to track, allocate, release, and dispense hospital blood units while controlling inventory and recording the disposition of blood. The acquisition strategically broadened Haemonetics' blood management solutions. The purchase price was $6.7 million plus contingent consideration.

The contingent consideration is based upon annual revenue growth for the three years following the acquisition, at established profitability thresholds. Using projected revenues for fiscal years 2010, 2011, and 2012, an analysis was performed that probability weighted three performance outcomes for the noted years. The performance outcomes were then discounted using a discount rate commensurate with the risks associated with Neoteric to arrive at a recorded $5.0 million fair value for the contingent consideration. The contingent consideration is based upon future operating performance and is not contractually limited.

The purchase price premium was recorded as goodwill of $7.0 million, other intangibles of $7.1 million, and deferred tax liabilities of $2.3 million. The purchase price allocation will be finalized no later than one year from the acquisition date. The results of the Neoteric operations are included in our consolidated results for periods after the acquisition.

In addition to the Neoteric acquisition discussed above, changes to the net carrying value of our intangible assets from March 28, 2009 to June 27, 2009, reflect the capitalization of software costs associated with our devices and software products (see Note 16), amortization expense and the effect of exchange rate changes in the translation of our intangible assets held by our international subsidiaries.

Amortization expense for amortized intangible assets was $1.6 million and $1.5 million for the three months ended June 27, 2009 and June 28, 2008, respectively. Annual amortization expense is expected to approximate $7.7 million for fiscal year 2010, $7.5 million for fiscal year 2011, $7.1 million for fiscal year 2012, $7.0 million for fiscal year 2013, and $7.6 million for fiscal year 2014.

10. DERIVATIVES AND FAIR VALUE MEASUREMENTS

We manufacture, market and sell our products globally. Approximately 51% of our sales are generated outside the U.S. in local currencies. We also incur certain manufacturing, marketing and selling costs in international markets in local currency. Accordingly, our earnings and cash flows are exposed to market risk from changes in foreign currency exchange rates relative to the U.S. dollar, our reporting currency.

We have a program in place that is designed to mitigate our exposure to changes in foreign currency exchange rates. That program includes the use of derivative financial instruments to minimize for a period of time, the unforeseen impact on our financial results from changes in foreign exchange rates. We utilize forward foreign currency contracts to hedge the anticipated cash flows from transactions denominated in foreign currencies, primarily the Japanese Yen and the Euro, and to lesser extent the Great British Pound Sterling and the Canadian Dollar. This does not eliminate the volatility of foreign exchange rates, but because we generally enter into forward contracts one year out, rates are fixed for a one-year period, thereby facilitating financial planning and resource allocation.

Designated Foreign Currency Hedge Contracts

All of our designated foreign currency hedge contracts as of June 27, 2009 and March 28, 2009 were cash flow hedges under Statement No. 133. We record the effective portion of any change in the fair value of designated foreign currency hedge contracts in other comprehensive income (OCI) in the Statement of Stockholders' Equity until the related third-party transaction occurs. Once the related third-party transaction occurs, we reclassify the effective portion of any related gain or loss on the designated foreign currency hedge contracts to earnings. In the event the hedged forecasted transaction does not occur, or it becomes probable that it will not occur, we would reclassify the amount of any gain or loss on the related cash flow hedge to earnings at that time. We had designated foreign currency hedge contracts outstanding in the contract amount of $133.3 million as of June 27, 2009 and $117.1 million as of March 28, 2009.

During the first quarter of fiscal year 2010, we recognized net gains of $1.1 million in earnings on our cash flow hedges. All currency cash flow hedges outstanding as of June 27, 2009 mature within twelve months. For the quarter ended June 27, 2009, $1.0 million of losses, net of tax, were recorded in OCI to recognize the effective portion of the fair value of any designated foreign currency hedge contracts that are, or previously were, designated as foreign currency cash flow hedges, as compared to net gains of $2.9 million as of June 28, 2008. For the quarter ended June 27, 2009, $1.0 million of losses, net of tax, may be reclassified to earnings within the next twelve months.

Non-designated Foreign Currency Contracts

We manage our exposure to changes in foreign currency on a consolidated basis to take advantage of offsetting transactions and balances. We use currency forward contracts as a part of our strategy to manage exposure related to foreign currency denominated monetary assets and liabilities. These currency forward contracts are not designated as cash flow or fair value hedges under Statement No. 133. These forward contracts are marked-to-market with changes in fair value recorded to earnings; and are entered into for periods consistent with currency transaction exposures, generally one month. We had currency designated foreign currency hedge contracts under Statement No. 133 outstanding in the contract amount of $41.4 million as of June 27, 2009 and $51.6 million as of March 28, 2009.

Fair Value of Derivative Instruments

The following table present the effect of our derivative instruments designated as cash flow hedges and those not designated as hedging instruments under Statement No. 133 in our consolidated statement of income for the three months ended June 27, 2009.

Derivative Instruments *(in thousands)*	Amount of Loss Recognized in OCI (Effective Portion)	Amount of Gain Reclassified OCI into from Earnings (Effective Portion)	Location in Statement of Operations	Amount Excluded from Effectiveness Testing (*)	Location in Statement of Operations
Designated foreign currency hedge contracts	$ (1,008)	$ 1,120	Net revenues	$ 260	Other income
Non-designated foreign currency hedge contracts	—	—		(394)	Other expense
	$ (1,008)	$ 1,120		$ (134)	

(*) We exclude the difference between the spot rate and hedge rate from our effectiveness testing.

We did not have fair value hedges or net investment hedges outstanding as of June 27, 2009 or March 28, 2009.

Statement No. 133 requires all derivative instruments to be recognized at their fair values as either assets or liabilities on the balance sheet. We determine the fair value of our derivative instruments using the framework prescribed by FASB Statement No. 157, *Fair Value Measurements*, by considering the estimated amount we would receive or pay to sell or transfer these instruments at the reporting date and by taking into account current interest rates, currency exchange rates, the creditworthiness of the counterparty for assets, and our creditworthiness for liabilities. In certain instances, we may utilize financial models to measure fair value. Generally, we use inputs that include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; other observable inputs for the asset or liability; and inputs derived principally from, or corroborated by, observable market data by correlation or other means. As of June 27, 2009, we have classified our derivative assets and liabilities within Level 2 of the fair value hierarchy prescribed by Statement No. 157, as discussed below, because these observable inputs are available for substantially the full term of our derivative instruments.

The following tables present the fair value of our derivative instruments as they appear in our consolidated balance sheets as of June 27, 2009 by type of contract and whether it is a qualifying hedge under Statement No. 133.

(in thousands)	Location in Balance Sheet	Balance as of June 27, 2009	Balance as of March 28, 2009
Derivative Assets:			
Designated foreign currency hedge contracts	Other current assets	$2,753	$3,936
		$2,753	**$3,936**
Derivative Liabilities:			
Designated foreign currency hedge contracts	Other accrued liabilities	$4,417	$2,914
		$4,417	**$2,914**

Other Fair Value Measurements

We adopted Financial Accounting Standards Board (FASB) Statement No. 157, *Fair Value Measurements*, as of March 30, 2008. Statement No. 157 defines fair value, establishes a framework for measuring fair value in accordance with U.S. GAAP, and expands disclosures about fair value measurements. Statement No. 157 does not require any new fair value measurements; rather, it applies to other accounting pronouncements that require or permit fair value measurements. In accordance with Staff Position No. 157-2, for the three months ended June 27, 2009, we applied Statement No. 157 to our nonfinancial assets and nonfinancial liabilities. As we did not have an impairment of any nonfinancial assets or nonfinancial liabilities, there was no disclosure required relating to our nonfinancial assets or nonfinancial liabilities.

On a recurring basis, we measure certain financial assets and financial liabilities at fair value, including our money market funds, foreign currency derivative contracts, and contingent consideration. Statement No. 157 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. We base fair value upon quoted market prices, where available. Where quoted market prices or other observable inputs are not available, we apply valuation techniques to estimate fair value.

Statement No. 157 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The categorization of assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The three levels of the hierarchy are defined as follows:

- Level 1 — Inputs to the valuation methodology are quoted market prices for identical assets or liabilities.

- Level 2 — Inputs to the valuation methodology are other observable inputs, including quoted market prices for similar assets or liabilities and market-corroborated inputs.
- Level 3 — Inputs to the valuation methodology are unobservable inputs based on management's best estimate of inputs market participants would use in pricing the asset or liability at the measurement date, including assumptions about risk.

Our money market funds carried at fair value are generally classified within Level 1 of the fair value hierarchy because they are valued using quoted market prices.

We recognize all derivative financial instruments in our consolidated financial statements at fair value in accordance with FASB Statement No. 133, *Accounting for Derivative Instruments and Hedging Activities*. We determine the fair value of these instruments using the framework prescribed by Statement No. 157 by considering the estimated amount we would receive or pay to terminate these agreements at the reporting date and by taking into account current spot rates, the creditworthiness of the counterparty for assets, and our creditworthiness for liabilities. We have classified our foreign currency hedge contracts within Level 2 of the fair value hierarchy because these observable inputs are available for substantially the full term of our derivative instruments. For the quarter ended June 27, 2009, we have classified our other liabilities — contingent consideration relating to our acquisition of Neoteric within Level 3 of the fair value hierarchy because the value is determine using significant unobservable inputs.

Fair Value Measured on a Recurring Basis

Financial assets and financial liabilities measured at fair value on a recurring basis consist of the following as of June 27, 2009:

(in thousands)	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Money market funds	$150,950	$ —	$ —	$150,950
Forward currency exchange contracts	—	2,753	—	2,753
	$150,950	$2,753	$ —	$153,703
Liabilities				
Forward currency exchange contracts	$ —	$4,417	$ —	$ 4,417
Other liabilities — contingent consideration	—	—	5,188	5,188
	$ —	$4,417	$5,188	$ 9,605

A description of the methods used to determine the fair value of the Level 3 liabilities (other liabilities — contingent consideration) is included within Note 9 — Goodwill, Other Intangible Assets, and Acquisitions. The table below provides a reconcialiation of the beginning and ending Level 3 liabilities for the quarter ended June 27, 2009.

(in thousands)	Fair Value Measurements Using Significant Unobservable Inputs (Level 3)
Beginning balance	$ —
Transfers into Level 3	4,988
Change in value	200
Ending balance	$ 5,188

Statement No. 159

In February 2007, the FASB issued Statement No. 159, *The Fair Value Option for Financial Assets and Financial Liabilities*, *including an amendment of FASB Statement No. 115*, which allows an entity to elect to record financial assets and financial liabilities at fair value upon their initial recognition on a contract-by-contract basis. We adopted Statement No. 159 as of March 30, 2008 and did not elect the fair value option for our eligible financial assets and financial liabilities.

Other Fair Value Disclosures

The fair value of our long-term debt obligations was $5.2 million and $5.9 million at June 27, 2009 and June 28, 2008, respectively.

11. INCOME TAXES

Our reported tax rate includes two principal components: an expected effective annual tax rate and discrete items resulting in additional provisions or benefits that are recorded in the quarter that an event arises. Events or items that give rise to discrete recognition include finalizing audit examinations for open tax years, a statute of limitation's expiration, or a stock acquisition.

The reported tax rate was 30.3% for the three month period ended June 27, 2009. The reported tax rate includes:

- A 31.1% expected effective annual tax rate which reflects tax benefits from foreign taxes (including our Swiss principal) and a domestic manufacturing deduction, offset in part by the state tax provision, and stock compensation expenses not deductible in all jurisdictions; and
- A $0.7 million benefit (on an annual basis) from the remittance of Japanese earnings.

The reported tax rate was 29.5% for the three month period ended June 28, 2008. The reported tax rate includes:

- A 35.1% expected effective annual tax rate which reflects tax benefits from foreign taxes and stock compensation expenses that are not deductible in all jurisdictions and a domestic manufacturing deduction, offset in part by the state tax provision, and stock compensation expenses not deductible in all jurisdictions; and

- A $1.1 million reversal of previously accrued income taxes because of the expiration of foreign statute of limitations.

We conduct business globally and, as a result, file we consolidated federal, consolidated and separate state and foreign income tax returns in multiple jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world in jurisdictions including the U.S., Japan, Germany, France, the United Kingdom, and Switzerland. With few exceptions, we are no longer subject to U.S. federal, state and local, or foreign income tax examinations for years before 2006.

12. 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.

13. DEFINED BENEFIT PENSION PLANS

Certain of the Company’s foreign subsidiaries have defined benefit pension plans covering substantially all full time employees at those subsidiaries. Net periodic benefit costs for the plans in the aggregate include the following components:

	For the three months ended	
	June 27, 2009	June 28, 2008
	(in thousands)	
Service Cost	$ 124	$ 150
Interest cost on benefit obligation	61	66
Expected return on plan assets	(15)	(19)
Amortization of unrecognized prior service cost, unrecognized gain and unrecognized initial obligation	(10)	(4)
Net periodic benefit cost	$ 160	$ 193

14. 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.

Enterprise Wide Disclosures about Product and Services

We have three families of products: (1) disposables, (2) software solutions and (3) equipment & other.

Disposables include the plasma, blood bank, and hospital product lines. Plasma consists of the disposables used to perform apheresis for the separation of whole blood components and subsequent collection of plasma. Blood bank consists of platelet and red cell disposables. Hospital consists of surgical disposables (principally the Cell Saver® and cardioPAT® disposable products), OrthoPAT® disposables, and diagnostics products (principally the TEG® products).

Software solutions include information technology platforms that assist blood banks, plasma centers, and hospitals more effectively manage regulatory compliance and operational efficiency.

Equipment & other revenues include revenue from equipment sales, repairs performed under preventive maintenance contracts or emergency service visits, spare part sales, and various service and training programs.

Revenues from External Customers:

	Three Months Ended June 27, 2009 (in thousands)	Three Months Ended June 28, 2008 (in thousands)
Disposable revenues by product family		
Plasma disposables	$ 58,869	$ 46,868
Blood bank disposables		
Platelet	$ 34,307	$ 35,659
Red cell	$ 11,779	$ 11,842
	$ 46,086	$ 47,501
Hospital disposables		
Surgical	$ 17,425	$ 17,269
OrthoPAT	$ 8,584	$ 8,796
Diagnostics	$ 4,997	$ 5,094
	$ 31,006	$ 31,159
Disposables revenue	$ 135,961	$ 125,528
Software solutions	$ 8,454	$ 7,258
Equipment & other	$ 9,672	$ 11,330
Total revenues	$ 154,087	$ 144,116

15. REORGANIZATION

During the last two years, the Company has transformed aspects of its international businesses, and more recently, its U.S. domestic Technical Operations organizations. The following summarizes the restructuring activity for the three months ended June 27, 2009 and June 28, 2008, respectively:

(Dollars in thousands)	Balance at March 28, 2009	Cost Incurred	Payments	Asset Write down	Restructuring Accrual Balance at June 27, 2009
	Three Months Ended June 27, 2009				
Employee-related costs	$ 2,730	$ —	$ (483)	$ —	$ 2,247
Facility related costs	42	—	—	—	$ 42
Other Exit & Termination Costs	78	—	—	—	$ 78
	$ 2,850	$ —	$ (483)	$ —	$ 2,367

(Dollars in thousands)	Balance at March 31, 2008	Cost Incurred	Payments	Asset Write down	Restructuring Accrual Balance at June 28, 2008
	Three Months Ended June 28, 2008				
Employee-related costs	$ 521	$ 1,668	$ (1,299)	$ —	$ 890
Facility related costs	42	—	—	—	$ 42
Other Exit & Termination Costs	78	72	(72)		$ 78
	$ 641	$ 1,740	$ (1,371)	$ —	$ 1,010

16. CAPITALIZATION OF SOFTWARE DEVELOPMENT COSTS

The Company is implementing an Enterprise Resource Planning (ERP) system. In fiscal year 2007, we began our plan to implement the system in three phases over three years.

The cost of software that is developed or obtained for internal use is accounted for pursuant to AICPA Statement of Position 98-1, “Accounting for the Costs of Computer Software Developed or Obtained for Internal Use” (“SOP 98-1”). Pursuant to SOP 98-1, the Company capitalizes costs incurred during the application development stage of software developed for internal use, and expenses costs incurred during the preliminary project and the post-implementation operation stages of development. The Company capitalized $4.2 million and $0.4 million, respectively, during the three month periods ended June 27, 2009 and June 28, 2008, in costs incurred for acquisition of the software license and related software development costs for new internal software that was in the application development stage. The total capitalized costs incurred to date include $1.8 million for the cost of the software license and $25.5 million in third party development costs and internal personnel costs.

In connection with the development of the software for our next generation Donor apheresis platform, the Company capitalized $0.0 million and $0.7 million in software development costs during the three month periods ended June 27, 2009 and June 28, 2008, respectively, in accordance with SFAS No. 86, “Accounting for the Cost of Computer Software to be Sold, Leased, or Otherwise Marketed”. Since the start of the project, a total of $12.0 million in total software development costs has been capitalized in connection with the next generation Donor apheresis platform. All costs capitalized were incurred after a detailed design of the software was developed and research and development activities on the underlying device were completed. Work on the Donor apheresis platform has been temporarily suspended while the Company focuses on completing another project, which is expected to be completed during fiscal year 2010. Work on the Donor apheresis platform is expected to resume during fiscal year 2010. We will begin to amortize these costs when the device is released for sale.

Additionally, the Company capitalized $1.3 million and $0.7 million in other software development costs for ongoing initiatives during the three-month periods ended June 27, 2009 and June 28, 2008, respectively. At June 27, 2009, we have a total of $7.2 million of costs capitalized related to other in process software development initiatives. We will begin to amortize these costs when the products are released for sale.

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with both our interim consolidated financial statements and notes thereto which appear elsewhere in this Quarterly Report on Form 10-Q and our annual consolidated financial statements, notes thereto, and the MD&A contained in our fiscal year 2009 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on May 22, 2009. The following discussion may contain forward-looking statements and should be read in conjunction with the "**Cautionary Statement Regarding Forward-Looking Information**" beginning on page 40.

Our Business

Haemonetics is a blood management solutions company for our customers. Anchored by our reputable medical device systems, we also provide information technology platforms and value added services to provide customers with business solutions which support improved clinical outcomes for patients and efficiency in the blood supply chain.

Our systems automate the collection and processing of donated blood; assess likelihood for blood loss; and salvage and process surgical patient blood. These systems include devices and single-use, proprietary disposable sets ("disposables") that operate only with our specialized devices. Our systems allow users to collect and process only the blood component(s) they target — plasma, platelets, or red blood cells — increasing donor and patient safety as well as collection efficiencies. Our information technology platforms are used by blood and plasma collectors to improve the safety and efficiency of blood collection logistics by eliminating previously manual functions at not-for-profit blood banks and commercial plasma centers. Our business services products include consulting, Six Sigma, LEAN manufacturing and Insight Opportunity Model offerings that support our customers' needs for regulatory compliance and operational efficiency in the blood supply chain.

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

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

Our disposables revenue stream (including sales of disposables and fees for the use of our equipment) accounted for approximately 88% and 87% of our total revenues for the first quarter of fiscal year 2010 and 2009, respectively.

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Financial Summary

(in thousands, except per share data)	For the three months ended June 27, 2009	June 28, 2008	Percentage Increase/(Decrease)
Net revenues	$154,087	$144,116	6.9%
Gross profit	$ 82,943	$ 73,037	13.6%
% of net revenues	*53.8%*	*50.7%*	
Operating expenses	$ 56,616	$ 53,703	5.4%
Operating income	$ 26,327	$ 19,334	36.2%
% of net revenues	*17.1%*	*13.4%*	
Interest expense	($214)	($24)	791.7%
Interest income	$ 157	$ 654	(76.0%)
Other income, net	($335)	$ 375	(189.3%)
Income before taxes	$ 25,935	$ 20,339	27.5%
Provision for income tax	$ 7,862	$ 5,998	31.1%
% of pre-tax income	*30.3%*	*29.5%*	
Net income	$ 18,073	$ 14,341	26.0%
% of net revenues	*11.7%*	*10.0%*	
Earnings per share-diluted	$ 0.69	$ 0.54	27.5%

Net revenues increased 6.9% for the first quarter of fiscal year 2010 over the comparable period of fiscal year 2009. The effects of foreign exchange accounted for an increase of 0.7% for the first quarter. The remaining increase of 6.2% for the quarter is mainly due to increases in our plasma disposables revenue and software solutions revenue.

Gross profit increased 13.6% as compared to the first quarter of fiscal year 2009. The favorable effects of foreign exchange accounted for an increase of 8.2% for the quarter. The remaining increase of 5.4% for the quarter was due primarily to increased sales and manufacturing efficiencies. This was partly offset by changes in product mix driven by higher sales of our lower margin plasma products.

Operating expenses increased 5.4% for the first quarter of fiscal year 2010 over the comparable period of fiscal year 2009. The favorable effects of foreign exchange accounted for a decrease in operating expenses of 2.9% for the quarter. Without the effects of foreign exchange operating expenses increased 8.3% for the quarter. The higher operating expenses are primarily related to increased investment in research and development, the expenses from recent acquisitions, expenses associated with our ERP Phase II go-live, and higher expenses due to increased sales. The noted increases in operating expenses were partly offset by a lack of restructuring costs in the first quarter of fiscal year 2010.

Operating income increased 36.2% for the first quarter of fiscal year 2010 over the comparable period of fiscal year 2009. The favorable effects of foreign exchange accounted for an increase of operating income of 37.7% for the quarter. Without the effects of foreign exchange operating income decreased 1.5% for the quarter as a result of noted changes in gross profit and operating expenses.

Net income increased 26.0% for the first quarter of fiscal year 2010 over the comparable period of fiscal year 2009. The main factor that affected net income was the increase in operating income, partially offset by increased interest expense and other expense.

RESULTS OF OPERATIONS

Net Revenues by Geography

(in thousands)	For the three months ended June 27, 2009	For the three months ended June 28, 2008	Percentage Increase
United States	$ 75,013	$ 65,789	14.0%
International	79,074	78,327	1.0%
Net revenues	$154,087	$144,116	6.9%

International Operations and the Impact of Foreign Exchange

Our principal operations are in the U.S., Europe, Japan and other parts of Asia. Our products are marketed in more than 80 countries around the world via a direct sales force as well as independent distributors and agents.

Our revenues generated outside the U.S. approximated 51% and 54% of total sales for the first quarter of fiscal years 2010 and 2009, respectively. Revenues in Japan accounted for approximately 16% and 15% of total revenues for the first quarter of fiscal year 2010 and 2009, respectively. Revenues in Europe accounted for approximately 28% and 31% of total revenues for the first quarter of fiscal year 2010 and 2009, respectively. International sales are primarily conducted in local currencies, primarily the Japanese Yen and the Euro. As discussed above, our results of operations can be impacted by changes in the value of the Yen and the Euro relative to the U.S. dollar.

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

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Net Revenues by Product Type

(in thousands)	For the three months ended June 27, 2009	June 28, 2008	Percentage Increase/(Decrease)
Disposables	$135,961	$125,528	8.3%
Software solutions	8,454	7,258	16.5%
Equipment & other	9,672	11,330	(14.6%)
Net revenues	$154,087	$144,116	6.9%

Disposables Revenues by Product Type

(in thousands)	For the three months ended June 27, 2009	June 28, 2008	Percentage Increase/(Decrease)
Plasma disposables	$ 58,869	$ 46,868	*25.6%*
Blood bank disposables			
Platelet	$ 34,307	$ 35,659	*(3.8%)*
Red cell	$ 11,779	$ 11,842	*(0.5%)*
	$ 46,086	$ 47,501	*(3.0%)*
Hospital disposables			
Surgical	$ 17,425	$ 17,269	*0.9%*
OrthoPAT	$ 8,584	$ 8,796	*(2.4%)*
Diagnostics	$ 4,997	$ 5,094	*(1.9%)*
	$ 31,006	$ 31,159	*(0.5%)*
Total disposables revenue	$ 135,961	$ 125,528	*8.3%*

DISPOSABLES

Disposables include the Plasma, Blood Bank, and Hospital product lines. Disposables revenue increased 8.3% for the first quarter of fiscal year 2010 compared to the first quarter of fiscal year 2009. Foreign exchange resulted in a 0.7% increase for the first quarter over the comparable period in fiscal year 2009. The remaining increase of 7.6% for the quarter was driven by increases in the Plasma product line, as discussed below.

Plasma

Plasma disposables revenue increased 25.6% for the first quarter of fiscal year 2010 compared to the same period in fiscal year 2009. Foreign exchange resulted in a 0.3% increase for the first quarter over the comparable period in fiscal year 2009. The remaining 25.3% increase was driven by higher collections in both the US and Europe, share gains, and, to a lesser extent, pricing.

As supply-demand balance has been achieved between source plasma collected and used in pharmaceutical production, we are beginning to see a moderation in collections. The fractionation companies will balance collections to support the underlying growth in demand for plasma drugs which we believe to be in the 7% range. With contractual price increases, new products, and market share gains, we anticipate that plasma disposable revenue growth will continue to outpace collection market growth in the near term and moderate to a low to mid double-digit rate over the next eighteen months.

Blood Bank

Blood bank consists of platelet and red cell disposables.

Platelet disposables revenue decreased 3.8% for the first quarter of fiscal year 2010 compared to the same period in fiscal year 2009. Comparing the first quarter of fiscal year 2010 to that of 2009, foreign exchange accounted for an increase of 1.9%. Without the effect of currency, the decrease of 5.7% was the result of challenges in South Korea associated with the significant devaluation of South Korea's currency, the Won, and share loss in Japan.

Red Cell disposables revenue decreased 0.5% compared to the first quarter of fiscal year 2009. Foreign exchange accounted for an decrease of 0.3% in the quarter over the comparable period in fiscal year 2009. The remaining decrease of 0.2% was driven by lower demand for automated collections, as a result of (i) fewer elective surgeries, thus a reduced demand for blood and (ii) 5% more donors due to the entry of 16 year olds to the blood donor population.

Hospital

Hospital consists of surgical, OrthoPAT, and diagnostics products.

Revenues from our surgical disposables increased 0.9% for the first quarter of fiscal year 2010 as compared to the first quarter of fiscal year 2009. Surgical disposables revenue consists principally of the Cell Saver and cardioPAT products. Foreign exchange resulted in a 2.3% increase in surgical disposables revenue during the quarter. Without the effect of currency, surgical disposables decreased 1.4% for the quarter. The decrease was primarily the result of decreased sales of Cell Saver products partially offset by increases in sales of cardioPAT products.

Revenues from our OrthoPAT disposables decreased 2.4% for the first quarter of fiscal year 2010 as compared to the first quarter of fiscal year 2009. Foreign exchange resulted in a 0.4% decrease in OrthoPAT disposables revenue during the quarter. Without foreign exchange, revenues decreased by 2.0% for the quarter. The decrease was primarily the result of a decline in the number of orthopedic procedures.

Revenues from our diagnostics products decreased 1.9% for the first quarter of fiscal year 2010 as compared to the first quarter of fiscal year 2009. Diagnostics product revenue consists principally of the TEG products. Foreign exchange resulted in a 2.9% decrease in diagnostic product revenue during the quarter. Without the effect of currency, diagnostic product increased 1.0% for the quarter. The growth was the result of increased TEG disposables revenue mostly offset by a decline in TEG equipment sales.

SOFTWARE SOLUTIONS

Our software solutions revenues include revenue from software sales. Software solutions revenues increased 16.5% as compared to the first quarter of fiscal year 2009. Foreign exchange resulted in a 0.9% increase in software solutions revenue during the quarter. The remaining increase of 15.6% was driven by increased sales to commercial plasma customers and revenues associated with two recent acquisitions.

EQUIPMENT & OTHER

Our equipment & other revenues include revenue from equipment sales, repairs performed under preventive maintenance contracts or emergency service visits, spare part sales, and various service and training programs. Equipment & other revenues decreased 14.6% for the first quarter of fiscal year 2010 as compared to the first quarter of fiscal year 2009. Foreign exchange resulted in a 1.4% increase in revenue during the quarter. The remaining decrease of 16.0% is primarily the result of fewer equipment sales, particularly to our hospital customers as hospitals are resisting even modest capital purchases in the current economic environment.

Gross Profit

(in thousands)	For the three months ended June 27, 2009	For the three months ended June 28, 2008	Percentage Increase
Gross profit	$82,943	$73,037	13.6%
% of net revenues	53.8%	50.7%	

Gross profit increased 13.6% as compared to the first quarter of fiscal year 2009. Foreign exchange resulted in a 8.2% increase for the first quarter of fiscal year 2010. The remaining increase of 5.4% for the quarter was due primarily to the increase in net revenues and fixed cost leverage. Our gross profit margin improved 310 basis points compared to the first quarter of fiscal year 2009. The improvement was attributable to foreign exchange and improved manufacturing efficiencies, particularly for our plasma business. Product mix partly offset these improvements due to increased sales of our lower margin plasma products.

Operating Expenses

(in thousands)	For the three months ended June 27, 2009	For the three months ended June 28, 2008	Percentage Increase
Research, development and engineering	$ 6,777	$ 5,844	16.0%
% of net revenues	4.4%	4.1%	
Selling, general and administrative	$49,839	$47,859	4.1%
% of net revenues	32.3%	33.2%	
Total operating expenses	$56,616	$53,703	
% of net revenues	36.7%	37.3%	

Research, Development and Engineering

Research, development and engineering expenses increased 16.0% for the first quarter of fiscal year 2010 as compared to the first quarter of fiscal year 2009. The increase in the quarter is a result of increased spending in the whole blood and Arryx blood diagnostics technologies.

Selling, General and Administrative

During the first quarter of fiscal year 2010, selling, general and administrative expenses increased 4.1%. Foreign exchange resulted in a 3.0% decrease in selling, general and administrative during the quarter. Excluding the impact of foreign exchange, selling, general and administrative expense increased 7.1% for the first quarter. The increase was due primarily to (i) expenses brought on from recent acquisitions (Altivation and Neoteric) that had not been reflected in the first quarter of fiscal year 2009, (ii) expenses associated with our ERP Phase II go-live, and (iii) general selling, marketing and handling costs necessary to support the 6.9% increase in sales. The noted increases were partly offset by a lack of restructuring costs in the first quarter of fiscal year 2010.

Operating Income

(in thousands)	For the three months ended June 27, 2009	For the three months ended June 28, 2008	Percentage Increase
Operating income	$26,327	$19,334	36.2%
% of net revenues	17.1%	13.4%	

Operating income increased 36.2% for the first quarter of fiscal year 2010 as compared to the first quarter of fiscal year 2009. Foreign exchange resulted in a 37.7% increase in operating income during the quarter. Without the effects of foreign currency, operating income decreased 1.5% for the quarter due to the net of sales and gross profit growth offset by increases in operating expenses.

Other income, net

(in thousands)	For the three months ended June 27, 2009	For the three months ended June 28, 2008	Percentage Decrease
Interest expense	$(214)	$ (24)	
Interest income	157	654	
Other (expense)/income, net	(335)	375	
Total other income, net	$(392)	$1,005	(139.0%)

Total other income, net decreased 139.0% during the first quarter of fiscal year 2010 as compared to the first quarter of fiscal year 2009 due to the net of the (i) increase in interest expense due to the FAS 141(R) accounting relating to the contingent consideration on a recent acquisition, (ii) decrease in interest income due to significantly reduced investment yield, and (iii) decrease in other income associated with hedge points on forward contracts. 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

	For the three months ended		Percentage
	June 27, 2009	June 28, 2008	Increase
Reported income tax rate	30.3%	29.5%	0.8%

Our reported tax rate includes two principal components: an expected effective annual tax rate and discrete items resulting in additional provisions or benefits that are recorded in the quarter that an event arises. Events or items that give rise to discrete recognition include finalizing audit examinations for open tax years, a statute of limitation's expiration, or a stock acquisition.

The reported tax rate was 30.3% for the three month period ended June 27, 2009. The reported tax rate includes:

- A 31.1% expected effective annual tax rate which reflects tax benefits from foreign taxes (including our Swiss principal) and a domestic manufacturing deduction, offset in part by the state tax provision, and stock compensation expenses not deductible in all jurisdictions; and
- A $0.7 million benefit (on an annual basis) from the remittance of Japanese earnings.

The reported tax rate was 29.5% for the three month period ended June 28, 2008. The reported tax rate includes:

- A 35.1% expected effective annual tax rate which reflects tax benefits from foreign taxes and stock compensation expenses that are not deductible in all jurisdictions and a domestic manufacturing deduction, offset in part by the state tax provision, and stock compensation expenses not deductible in all jurisdictions; and
- A $1.1 million reversal of previously accrued income taxes because of the expiration of foreign statute of limitations.

We conduct business globally and, as a result, file we consolidated federal, consolidated and separate state and foreign income tax returns in multiple jurisdictions. In the normal course of business, we are subject to examination by taxing authorities throughout the world in jurisdictions including the U.S., Japan, Germany, France, the United Kingdom, and Switzerland. With few exceptions, we are no longer subject to U.S. federal, state and local, or foreign income tax examinations for years before 2006.

Liquidity and Capital Resources

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

	June 27, 2009	March 28, 2009
	(dollars in thousands)	
Cash & cash equivalents	$173,822	$156,721
Working capital	$292,102	$289,530
Current ratio	3.8	4.1
Net cash position (1)	$151,462	$150,683
Days sales outstanding (DSO)	67	67
Disposables finished goods inventory turnover	6.6	7.1

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

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

	For the three months ended:		$ Increase /
	June 27, 2009	June 28, 2008	(Decrease)
	(dollars in thousands)		
Net cash provided by (used in):			
Operating activities	$ 25,706	$ 13,842	$ 11,864
Investing activities	(27,923)	(12,281)	(15,642)
Financing activities	18,844	(14,465)	33,309
Effect of exchange rate changes on cash and cash equivalents (1)	474	(362)	836
Net increase/(decrease) in cash and cash equivalents	**$ 17,101**	**$ (13,266)**	$ 30,367

(1) The balance sheet is affected by spot exchange rates used to translate local currency amounts into U.S. dollars. In accordance with GAAP, we have removed the effect of foreign currency throughout our cash flow statement, except for its effect on our cash and cash equivalents.

In May 2009, Board of Directors approved a $40 million share repurchase. At June 27, 2009, as no shares had been repurchased, we had the full $40 million remaining on the $40 million share repurchase limit set by the Board of Directors.

Cash Flow Overview:

Three Month Comparison

Operating Activities:

Net cash provided by operating activities increased by $11.9 million in the first three months of fiscal year 2010 as compared to the first three months of 2009 due primarily to:

- $3.7 million increase in net income;
- $11.7 million reduced investment in accounts receivable due to improved collections over the same quarter last year;
- $5.5 million reduced investment in inventories; and
- $7.4 million reduced investment in prepaid income taxes

partially offset by

- a $15.7 million increase in payments of accounts payable and accrued expenses, which included a $13.7 million payment of (i) the fiscal year 2009 employee performance bonuses worldwide and (ii) the discretionary bonus for extraordinary performance to all employees other than the Chief Executive Officer and certain other executives during the first quarter of fiscal year 2010.

Investing Activities:

Net cash used in investing activities increased during the first three months of fiscal year 2010 as compared to the first three months of 2009 due primarily to the $8.8 million increased spending in capital expenditures on property, plant, and equipment and the $6.6 million acquisition of Neoteric.

Financing Activities:

Net cash used in financing activities decreased by $33.3 million in the first three months of fiscal year 2010 as compared to the first three months of 2009 due primarily to:

- $24.9 million decrease in stock repurchases and
- $13.3 million increase in net borrowings under short-term revolving credit agreements

partially offset by

- $3.9 million decrease in exercise of stock options and tax benefit of stock compensation.

Inflation

We do not believe that inflation had a significant impact on our results of operations for the periods presented. Historically, we believe we have been able to mitigate the effects of inflation by improving our manufacturing and purchasing efficiencies, by increasing employee productivity, and by adjusting the selling prices of products. We continue to monitor inflation pressures generally and raw materials indices that may affect our procurement and production costs. Increases in the price of petroleum derivatives could result in corresponding increases in our costs to procure plastic raw materials.

Foreign Exchange

Approximately 51% of our sales are generated outside the U.S. in local currencies, yet our reporting currency is the U.S. dollar. Foreign exchange risk arises because we engage in business in foreign countries in local currency. Exposure is partially mitigated by producing and sourcing product in local currency and expenses incurred by local sales offices. However, whenever the U.S. dollar strengthens relative to the other major currencies, there is an adverse affect on our results of operations and alternatively, whenever the U.S. dollar weakens relative to the other major currencies there is a positive effect on our results of operations.

Our primary foreign currency exposures in relation to the U.S. dollar are the Euro and the Japanese Yen. In response to the global economic turmoil and sharply increased volatility in the foreign exchange rates, we added to our hedge and enter into forward contracts to hedge the anticipated cash flows from forecasted Great British Pound and Canadian Dollar denominated expenses.

It is our policy to minimize for a period of time, the unforeseen impact on our financial results of fluctuations in foreign exchange rates by using derivative financial instruments known as forward contracts to hedge the anticipated cash flows from forecasted foreign currency denominated sales. Hedging through the use of forward contracts does not eliminate the volatility of foreign exchange rates, but because we generally enter into forward contracts one year out, rates are fixed for a one-year period, thereby facilitating financial planning and resource allocation. We enter into forward contracts that mature one month prior to the anticipated timing of the forecasted foreign currency denominated sales. These contracts are designated as cash flow hedges and are intended to lock in the expected cash flows of forecasted foreign currency denominated sales at the available spot rate. Actual spot rate gains and losses on these contracts are recorded in sales, at the same time the underlying transactions being hedged are recorded. 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.

Presented below are the spot rates for our Euro and Japanese Yen cash flow hedges that either settled in fiscal year 2009 and the first quarter of fiscal year 2010, or are presently outstanding. These hedges cover our long foreign currency positions that result from our sales in Europe and Japan. The table also shows the relative strengthening or weakening of the spot rates associated with those hedge contracts versus the spot rates in the contracts that settled in the prior comparable period.

	First Quarter	Strengthen/ (Weaken)	Second Quarter	Strengthen/ (Weaken)	Third Quarter	Strengthen/ (Weaken)	Fourth Quarter	Strengthen/ (Weaken)
Euro — Hedge Spot Rate (US$ per Euro)								
FY09	1.3453		1.3704		1.4396		1.4908	
FY10	1.5681	16.6%	1.4890	8.6%	1.3192	(8.4%)	1.2812	(14.1%)
FY11	1.3582	(13.4%)						
Japanese Yen — Hedge Spot Rate (JPY per US$)								
FY09	120.6432		116.7411		112.8810		106.2511	
FY10	105.2792	12.7%	105.1132	10.0%	96.3791	14.6%	93.4950	12.0%
FY11	98.1677	6.8%						

* We generally place our cash flow hedge contracts on a rolling twelve month basis. Accordingly, the only hedge contracts placed for fiscal year 2011 are for the first quarter.

Recent Accounting Pronouncements

In December 2007, the FASB issued SFAS No. 141 (revised 2007), "Business Combinations" ("SFAS 141(R)"). In SFAS 141(R), the FASB retained the fundamental requirements of Statement No. 141 to account for all business combinations using the acquisition method (formerly the purchase method) and for an acquiring entity to be identified in all business combinations. However, the new standard requires the acquiring entity in a business combination to recognize all (and only) the assets acquired and liabilities assumed in the transaction; establishes the acquisition-date fair value as the measurement objective for all assets acquired and liabilities assumed; and requires the acquirer to disclose to investors and other users all of the information they need to evaluate and understand the nature and financial effect of the business combination. SFAS 141(R) is effective for annual periods beginning on or after December 15, 2008. This statement became effective for our fiscal year 2010 and its impact is reflected in our financial position and results of operations for the three months ended June 27, 2009.

In December 2007, the FASB issued FASB No. 160 “Noncontrolling Interests in Consolidated Financial Statements—an amendment of ARB No. 51” of which the objective is to improve the relevance, comparability, and transparency of the financial information that a reporting entity provides in its consolidated financial statements by establishing accounting and reporting standards by requiring all entities to report noncontrolling (minority) interests in subsidiaries in the same way—as equity in the consolidated financial statements. Moreover, Statement 160 eliminates the diversity that currently exists in accounting for transactions between an entity and noncontrolling interests by requiring they be treated as equity transactions. FASB No. 160 is effective for annual periods beginning on or after December 15, 2008. This statement became effective during fiscal year 2010 and did not have an impact on our financial position and results of operations. The company’s recent acquisition of L’Attitude Medical Systems, Inc. (“Neoteric”) was accounted for under SFAS 141(R)—see Note 9 to the interim consolidated financial statements.

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 requirements, the effect of economic and political conditions, the impact of competitive products and pricing, price volatility in petroleum products (plastics are the principal component of our disposables, which are the main source of our revenues), the impact of industry consolidation, foreign currency exchange rates, changes in customers’ ordering patterns, the effect of industry consolidation as seen in the Plasma market, the effect of communicable diseases and the effect of uncertainties in markets outside the U.S. (including Europe and Asia) in which we operate. The foregoing list should not be construed as exhaustive.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

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

FOREIGN EXCHANGE RISK

See the section entitled Foreign Exchange for a discussion of how foreign currency affects our business. It is our policy to minimize for a period of time, the unforeseen impact on our financial results of fluctuations in foreign exchange rates by using derivative financial instruments known as forward contracts to hedge anticipated cash flows from forecasted foreign currency denominated sales. We do not use the financial instruments for speculative or trading activities. At June 27, 2009, we had the following significant foreign exchange contracts to hedge the anticipated cash flows from forecasted foreign currency denominated sales outstanding:

Hedged Currency	(BUY) / SELL Local Currency	Weighted Spot Contract Rate		Weighted Forward Contract Rate		Fair Value Gain / (Loss)	Maturity
Euro	7,700,000	1.449		1.424		$ 228,514	Jul 2009 - Aug 2009
Euro	11,307,000	1.319		1.313		($893,920)	Sep 2009 - Nov 2009
Euro	10,584,808	1.281		1.282		($1,134,635)	Dec 2009 - Feb 2010
Euro	9,582,063	1.358		1.357		($336,623)	Mar 2009 - May 2010
Japanese Yen	1,045,432,888	105.17	per US$	103.62	per US$	($855,110)	Jul 2009 - Aug 2009
Japanese Yen	1,628,684,654	96.38	per US$	95.33	per US$	$ 4,070	Sep 2009 - Nov 2009
Japanese Yen	1,394,096,500	93.50	per US$	92.58	per US$	$ 400,513	Dec 2009 - Feb 2010
Japanese Yen	1,369,475,624	98.17	per US$	97.50	per US$	($346,345)	Mar 2009 - May 2010
GBP	(856,706)	1.433		1.433		$ 179,324	Jul 2009 - Aug 2009
GBP	(2,639,558)	1.423		1.423		$ 570,022	Sep 2009 - Nov 2009
GBP	(2,274,093)	1.405		1.406		$ 519,687	Dec 2009 - Feb 2010
GBP	(2,276,051)	1.471		1.472		$ 367,178	Mar 2009 - May 2010
GBP	(954,611)	1.628		1.627		$ 13,193	Mar 2009 - May 2010
CAD	(3,730,057)	1.120		1.119		($93,389)	Jul 2009 - Aug 2009
CAD	(3,247,851)	1.113		1.111		($99,476)	Sep 2009 - Nov 2009
CAD	(3,761,190)	1.088		1.086		($186,551)	Dec 2009 - Feb 2010
						($1,663,548)	

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 $11.1 million increase in the fair value of the forward contracts; whereas a 10% weakening of the US dollar would result in a $12.7 million decrease in the fair value of the forward contracts.

INTEREST RATE RISK

All of our long-term debt is at fixed rates. Accordingly, a change in interest rates has an insignificant effect on our interest expense amounts. The fair value of our long-term debt, however, does change in response to interest rate movements due to its fixed rate nature. These changes reflect the premium (when market interest rates decline below the contract fixed interest rates) or discount (when market interest rates rise above the fixed interest rate) that an investor in these long term obligations would pay in the market interest rate environment.

At June 27, 2009, the fair value of our long-term debt was approximately $0.8 million higher than the value of the debt reflected on our financial statements. This higher fair market is entirely related to the $5.2 million remaining principal balance of the original $10.0 million, 8.41% real estate mortgage due January, 2016.

Using scenario analysis, if the interest rate on all long-term maturities changed by 10% from the rate levels that existed at June 27, 2009, the fair value of our long-term debt would change by approximately $0.1 million.

ITEM 4. CONTROLS AND PROCEDURES

We conducted an evaluation, as of June 27, 2009, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer (the Company's principal executive officer and principal financial officer, respectively) regarding the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15 of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective.

In fiscal 2007, the Company initiated a company-wide implementation of Oracle, a global enterprise resource planning (ERP) system. The Company successfully completed the final major go-live milestone implementations in the ERP system during the three months ended June 27, 2009. The ERP implementation replaced our existing production planning, manufacturing, and purchasing systems, resulting in significant changes to our business processes and therefore our controls. These changes are intended to standardize and automate business processes and controls. We believe the controls, as implemented, are appropriate and functioning effectively.

Other than the change mentioned above, no other change in the Company's internal control over financial reporting occurred during the three months ended June 27, 2009 that has materially affected, or is reasonably likely to materially affect, the Company's internal control over financial reporting.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

In December 2005, we filed a lawsuit against Baxter Healthcare SA and Fenwal Inc. in Massachusetts federal district court, seeking an injunction and damages on account of Baxter's infringement of a Haemonetics patent, through the sale of Baxter's ALYX brand automated red cell collection system, a competitor of our automated red cell collection systems. In March 2007, Baxter sold the Transfusion Technologies Division (which markets the ALYX product) to private investors, Texas Pacific Group and Maverick Capital, Ltd. The new company which resulted from the sale was renamed Fenwal. In January 2009, a jury found that the Fenwal ALYX system infringed Haemonetics' patent and awarded us $15.7 million in damages for past infringement. On June 2, 2009, the court ruled that, in addition to paying the damages awarded by the jury, Fenwal must stop selling the ALYX consumable by December 1, 2010 and must pay Haemonetics a 10% royalty on ALYX consumable net sales from January 30, 2009 until December 1, 2010 when the injunction takes effect. In addition, the court awarded pre-judgment interest at 5% on the unpaid damages awarded. These rulings may be appealed by Fenwal or Baxter.

Item 1A. Risk Factors

In addition to the other information set forth in this report, careful consideration should be given to the factors discussed in Part 1, "Item 1A. Risk Factors" in the Company's Annual Report on Form 10-K for the year ended March 28, 2009, which could materially affect the Company's business, financial condition or future results. The risks described in the Company's Annual Report on Form 10-K are not the only risks facing the Company. Additional risks and uncertainties not currently known to the Company or that it currently deems to be immaterial also may materially adversely affect its business, financial condition and/or operating results.

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

Not applicable

Item 3. Defaults upon Senior Securities

Not applicable.

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

None

Item 5. Other Information

None

Item 6. Exhibits

10Y	Change in Control Agreement entered into between the Company and Brian Concannon on April 2, 2009
31.1	Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002, of Brian Concannon, President and Chief Executive Officer of the Company

31.2	Certification pursuant to Section 302 of Sarbanes-Oxley of 2002, of Christopher Lindop, Chief Financial Officer and Vice President Business Development 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 Brian Concannon, 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 Christopher Lindop, Chief Financial Officer and Vice President Business Development of the Company

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

	HAEMONETICS CORPORATION
Date: August 5, 2009	By: /s/ Brian Concannon Brian Concannon, President and Chief Executive Officer (Principal Executive Officer)
Date: August 5, 2009	By: /s/ Christopher Lindop Christopher Lindop, Chief Financial Officer and Vice President Business Development (Principal Financial Officer)

HAEMONETICS®
THE Blood Management Company

AMENDED AND RESTATED
CHANGE IN CONTROL AGREEMENT

This Amended and Restated Officer Change in Control Agreement (this "Agreement"), made effective on **April 2, 2009** (the "Effective Date"), between Haemonetics Corporation, a Massachusetts corporation with its principal offices at 400 Wood Road, Braintree, Massachusetts, 02184, (herein referred to as the "Company") and **Brian Concannon** (the "Officer"). The Company and the Officer are collectively referred to herein as the "Parties" and individually referred to as a "Party."

WITNESSETH THAT

WHEREAS, the Officer is employed by the Company as a senior executive of the Company or one, or more than one, of the Company's subsidiaries; and

WHEREAS, under the Agreement for Change-of-Control Benefit dated **January 19, 2006** between the Company and the Officer (the "Prior Agreement"), the Board of Directors of the Company (the "Board") decided that the Company should provide certain compensation and benefits to the Officer in the event that the Officer's employment is terminated on or after a change in the ownership or control of the Company under certain circumstances;

WHEREAS, the Company's Compensation Committee has reviewed the Prior Agreement in light of prevaling market practices and corporate governance standards; and

WHEREAS, the Parties desire to replace the Prior Agreement with this Agreement as set forth below.

NOW, THEREFORE, in consideration of the promises and the mutual covenants contained herein, the Parties agree as follows:

1. Purpose. The Company considers a sound and vital management team to be essential. Management personnel who become concerned about the possibility that the Company may undergo a Change in Control (as defined in Paragraph 2 below) may terminate employment or become distracted. Accordingly, the Board has determined to extend this Agreement to minimize the distraction the Officer may suffer from the possibility of a Change in Control.

2. Change in Control. The term "Change in Control" for purposes of this Agreement shall mean the earliest to occur of the following events during the Term (as defined in Paragraph 3(d) below):

(a) a person, or any two or more persons acting as a group, and all affiliates of such person or persons, who prior to such time owned less than thirty-five percent (35%) of the then outstanding shares of the Company's $0.01 par value common stock ("Common Stock"), shall acquire such additional shares of the Company's Common Stock in one or more transactions, or series of transactions, such that following such transaction or transactions such person or group and affiliates beneficially own thirty-five percent (35%) or more of the Company's Common Stock outstanding,

(b) closing of the sale of all or substantially all of the assets of the Company on a consolidated basis to an unrelated person or entity, and

(c) there is a consummation of any merger, reorganization, consolidation or share exchange unless the persons who were the beneficial owners of the outstanding shares of the common stock of Company immediately before the consummation of such transaction beneficially own more than 50% of the outstanding shares of the common stock of the successor or survivor entity in such transaction immediately following the consummation of such transaction. For purposes of this Paragraph 2(c), the percentage of the beneficially owned shares of the successor or survivor entity described above shall be determined exclusively by reference to the shares of the successor or survivor entity which result from the beneficial ownership of shares of common stock of the Company by the persons described above immediately before the consummation of such transaction.

3. Term. The initial term of this Agreement shall extend until April 2, 2014 (the "Initial Term"); provided, however, that this Agreement shall automatically renew for successive additional five year periods ("Renewal Terms") unless notice of nonrenewal is given by either Party to the other Party at least one year prior to the end of the Initial Term or, if applicable, the then current Renewal Term; and provided, further, that if a "Change of Control" occurs during the Term, the Term shall automatically extend until the second anniversary of the Change in Control (the "Protection Period"). The Term of this Agreement shall be the Initial Term plus all Renewal Terms and, if applicable, the duration of the Protection Period. At the end of the Term, this Agreement shall terminate without further action by either the Company or the Executive. If no Change in Control occurs prior to expiration of the Term or if the Officer Separates from Service (as defined in Paragraph 4(a) below) before a Change in Control, this Agreement shall automatically terminate without any further action; provided, however, that Paragraph 13 (regarding arbitration) shall continue to apply to the extent the Officer disputes the termination of this Agreement. The obligations of the Company and the Officer under this Agreement which by their nature may require either partial or total performance after its expiration shall survive any such expiration.

4. Severance Benefits. If, during the Protection Period (as defined in Paragraph 3(a)(ii) above), the Officer "Separates from Service" (as defined in Paragraph 5(a) below) due to termination of employment by the Company and its subsidiaries without "Cause" (as defined in Paragraph 5(b)) or by the Officer due to "Constructive Termination" (as defined in Paragraph 5(c)) (each, a "Qualifying Termination"), the Officer shall be entitled to the severance benefits set forth in this Paragraph 4. The Officer shall not be entitled to severance benefits upon any other Separation from Service, including a termination of employment by the Company for "Cause" or due to the Officer's death or Disability (as defined in Paragraph 5(d)). The payments and benefits provided for under this Paragraph 4 shall be in lieu of any other severance benefits otherwise payable by the Company to the Officer and shall be subject to reduction due to application of the Section 280G Cap as provided under Paragraph 6 below. Payment of the severance benefits as may be reduced by the 280G Cap, if applicable, shall commence 30 days after a Qualifying Termination, provided that the Officer has timely executed a release that is not revoked as provided under Paragraph 7 below. No severance benefit shall be paid if the Executive has not timely executed a release under Paragraph 7.

(a) Salary and Bonus Amount. The Company will pay to the Officer thirty days after a Qualifying Termination a lump sum cash amount equal to the product obtained by multiplying:

(i) the sum of (A) salary at the annualized rate which was being paid by the Company and/or subsidiaries to the Officer immediately prior to the time of such termination or, if greater, at the time of the Change in Control plus (B) the annual target bonus and/or any other annual cash incentive award opportunity applicable to the Officer at the time of the Qualifying Termination or, if greater, at the time of the Change in Control, by

(ii) 2.99

(b) Payment for Welfare Benefits. The Officer shall be entitled to receive a lump sum cash amount intended to cover the approximate cost of the Company's portion of the premiums necessary to continue the coverage under the Officer's medical, dental, life insurance and disability insurance coverages (collectively, the "Welfare Benefits") as in effect upon Separation from Service for a period of three years following a Qualifying Termination. For avoidance of doubt, medical coverage for this purpose shall include medical coverage provided to members of the Executive's immediate family under a Company sponsored plan, policy or program at the time of the Executive's employment termination, and premiums with respect to medical and dental coverage shall be determined using the rate charged for COBRA coverage. The Officer shall be entitled to elect continued Welfare Benefit is as provided under any employee benefit plan, policy or program sponsored by the Company as in effect on the Officer's Separation from Service, including but not limited to COBRA.

(c) Outplacement Services. In the event of a Qualifying Termination, the Company shall provide to the Officer executive outplacement services provided on a one-to-one basis by a senior counselor of a firm nationally recognized as a reputable national provider of such services for up to twelve months following Separation from Service, plus evaluation testing, at a location mutually agreeable to the Parties.

(d) Equity Awards. The vesting of the Officer's Equity Awards shall be governed by this Section 4(d). The term "Equity Award" shall mean stock options, stock appreciation rights, restricted stock, restricted stock units, performance shares or any other form of award that is measured with reference to the Company's Common Stock.

(i) The vesting of the Officer's Equity Awards granted on or after the Effective Date that vest solely on the basis of continued employment with the Company or any of its subsidiaries shall be accelerated solely by reason of a Change in Control only if the surviving corporation or acquiring corporation following a Change in Control refuses to assume or continue the Officer's Equity Awards or to substitute similar Equity Awards for those outstanding immediately prior to the Change in Control. If such Officer's Equity Awards are so continued, assumed or substituted and at any time after the Change in Control the Officer incurs a Qualifying Termination, then the vesting and exercisability of all such unvested Equity Awards held by the Officer that are then outstanding shall be accelerated in full and any reacquisition rights held by the Company with respect to any such Equity Award shall lapse in full, in each case, upon such termination.

(ii) The vesting of the Officer's Equity Awards that vest, in whole or in part, based upon achieving Performance Criteria shall be accelerated on a pro rata basis by reason of a Change in Control. The pro rata vesting amount shall equal the designated target award multiplied by a fraction, the numerator of which is the number of days the Officer was employed during the award's performance period as of the date of the Change in Control, and (b) the denominator is the number of days in the performance period. For purposes of this Paragraph 4(d), "Performance Criteria" means any business criteria that apply to the Officer, a business unit, division, subsidiary, affiliate, the Company or any combination of the foregoing.

(iii) Enforcement of the terms of this Paragraph 4(d) shall survive termination of this Agreement.

Equity Awards granted before the Effective Date shall not be subject to this Paragraph 4(d).

By accepting severance benefits under this Paragraph 4, the Officer waives the Officer's right, if any, to have any payment made under this Paragraph 4 taken into account to increase the benefits otherwise payable to, or on behalf of, the Officer under any employee benefit plan, policy or program, whether qualified or nonqualified, maintained by the Company (e.g., there will be no increase in the Officer's tax-qualified retirement plan benefits, non-qualified deferred compensation plan benefits or life insurance because of severance benefits received hereunder).

5. Definitions of "Separation from Service," "Cause," "Constructive Termination," and "Disability". For purposes of this Agreement, the following terms shall have the meanings set forth below:

(a) The term "Separation from Service" or "Separates from Service" for purposes of this Agreement shall mean a "separation from service" within the meaning of Section 409A of the Code (after applying the presumptions in Treas. Reg. Sect. 1.409A-1(h)).

(b) "Cause" means (i) the Officer's conviction of (or a plea of guilty or nolo contendere to) a felony or any other crime involving moral turpitude, dishonesty, fraud, theft or financial impropriety; or (ii) a determination by a majority of the Board in good faith that the Officer has (A) willfully and continuously failed to perform substantially the Officer's duties (other than any such failure resulting from the Officer's Disability or incapacity due to bodily injury or physical or mental illness), after a written demand for substantial performance is delivered to the Officer by the Board that specifically identifies the manner in which the Board believes that the Officer has not substantially performed the Officer's duties, (B) engaged in illegal conduct, an act of dishonesty or gross misconduct, or (C) willfully violated a material requirement of the Company's code of conduct or the Officer's fiduciary duty to the Company. No act or failure to act on the part of the Officer shall be considered "willful" unless it is done, or omitted to be done, by the Officer in bad faith and without reasonable belief that the Officer's action or omission was in, or not opposed to, the best interests of the Company or its subsidiaries. In order to terminate the Officer's employment for Cause, the Company shall be required to provide the Officer a reasonable opportunity to be heard (with counsel) before the Board, which shall include at least ten (10) business days of advance written notice to the Officer. Further, the Officer's attempt to secure employment with another employer that does not breach the Officer's non-competition obligations shall not constitute an event of "Cause".

(c) "Constructive Termination" means, without the express written consent of the Officer, the occurrence of any of the following during the Protection Period (as defined in Paragraph 3(a)(ii) above):

(i) a material reduction in the Officer's annual base salary as in effect immediately prior to a Change in Control or as the same may be increased from time to time, and/or a material failure to provide the Officer with an opportunity to earn annual incentive compensation and long-term incentive compensation at least as favorable as in effect immediately prior to a Change of Control or as the same may be increased from time to time,

(ii) a material diminution in the Officer's authority, duties, or responsibilities as in effect at the time of the Change in Control;

(iii) a material diminution in the authority, duties, or responsibilities of the supervisor to whom the Officer is required to report (it being understood that if the Officer reports to the Board, a requirement that the Officer report to any individual or body other than the Board will constitute "Constructive Termination" hereunder);

(iv) a material diminution in the budget over which the Officer retains authority;

(v) the Company's requiring the Officer to be based anywhere outside a fifty mile radius of the Company's offices at which the Officer is based as of immediately prior to a Change of Control (or any subsequent location at which the Officer has previously consented to be based) except for required travel on the Company's business to an extent that is not substantially greater than the Officer's business travel obligations as of immediately prior to a Change in Control or, if more favorable, as of any time thereafter; or

(vi) any other action or inaction that constitutes a material breach by the Company or any of its subsidiaries of the terms of this Agreement.

In no event shall the Officer be entitled to terminate employment with the Company on account of "Constructive Termination" unless the Officer provides notice of the existence of the purported condition that constitutes "Constructive Termination" within a period not to exceed ninety (90) days of its initial existence, and the Company fails to cure such condition (if curable) within thirty (30) days after the receipt of such notice.

(d) "Disability" means the Officer's inability, due to physical or mental incapacity resulting from injury, sickness or disease, for one hundred and eighty (180) days in any twelve-month period to perform his duties hereunder.

6. Section 280G Restriction. Notwithstanding any provision of this Agreement to the contrary, the following provisions shall apply:

(a) If it is determined that part or all of the compensation and benefits payable to the Officer (whether pursuant to the terms of this Agreement or otherwise) before application of this Paragraph 6 would constitute "parachute payments" under Section 280G of the Code, and the payment thereof would cause the Officer to incur the 20% excise tax under Section 4999 of the Code, then the amounts otherwise payable to or for the benefit of the Officer pursuant to this Agreement (or otherwise) that, but for this Paragraph 6 would be "parachute payments," (referred to below as the "Total Payments") shall either (i) be reduced so that the present value of the Total Payments to be received by the Officer will be equal to three times the "base amount" (as defined under Section 280G of the Code less $1,000 (the "280G Cap"), or (ii) paid in full, whichever produces the better after-tax position to the Officer (taking into account all applicable taxes, including but not limited to the excise tax under Section 4999 of the Code and any federal and state income and employment taxes). Any required reduction under clause (A) above shall be made in a manner that maximizes the net after-tax amount payable to the Officer, as reasonably determined by the Consultant (as defined below).

(b) All determinations required under this Paragraph 6 shall be made by a nationally recognized accounting, executive compensation or law firm appointed by the Company (the "Consultant") that is reasonably acceptable to the Officer on the basis of "substantial authority" (within the meaning of Section 6662 of the Code). The Consultant's fee shall be paid by the Company. The Consultant shall provide a report to the Officer that may be used by the Officer to file the Officer's federal tax returns.

(c) It is possible that payments could be made by the Company that should not have been made pursuant to this Paragraph 6. If a reduced payment or benefit is provided and through error or otherwise that payment or benefit, when aggregated with other payments and benefits from the Company (or its subsidiaries) used in determining the 280G Cap, then the Officer shall immediately repay such excess in cash to the Company upon notification that an overpayment has been made.

(d) Nothing in this Paragraph 6 shall require the Company to be responsible for, or have any liability or obligation with respect to, any excise tax liability under Section 4999 of the Code.

7. Release. The Officer agrees that the Company will have no obligations to the Officer under Paragraph 4 above until the Officer executes a release in a form acceptable by the Company and, further, will have no further obligations to the Officer under Paragraph 4 if the Officer revokes such release. The Officer shall have 21 days after Separation from Service to consider whether or not to sign the release. If the Officer fails to return an executed release to the Company's Vice President of Human Resources within such 21 day period, or the Officer subsequently revokes a timely filed release, the Company shall have no obligation to pay any amounts or benefits under Paragraph 4 of this Agreement.

8. No Interference with Other Vested Benefits. Regardless of the circumstances under which the Officer may terminate from employment, the Officer shall have a right to any benefits under any employee benefit plan, policy or program maintained by the Company which the Officer had a right to receive under the terms of such employee benefit plan, policy or program after a termination of the Officer's employment without regard to this Agreement. The Company shall within thirty (30) days of Separation from Service pay

the Officer any earned but unpaid base salary and bonus, shall promptly pay the Officer for any earned but untaken vacation and shall promptly reimburse the Officer for any incurred but unreimbursed expenses which are otherwise reimbursable under the Company's expense reimbursement policy as in effect for senior executives immediately before the Officer's employment termination.

9. Consolidation or Merger. If the Company is at any time before or after a Change in Control merged or consolidated into or with any other corporation, association, partnership or other entity (whether or not the Company is the surviving entity), or if substantially all of the assets thereof are transferred to another corporation, association, partnership or other entity, the provisions of this Agreement will be binding upon and inure to the benefit of the corporation, association, partnership or other entity resulting from such merger or consolidation or the acquirer of such assets (collectively, "acquiring entity") unless the Officer voluntarily elects not to become an employee of the acquiring entity as determined in good faith by the Officer. Furthermore, in the event of any such consolidation or transfer of substantially all of the assets of the Company, the Company shall enter into an agreement with the acquiring entity that shall provide that such acquiring entity shall assume this Agreement and all obligations and liabilities under this Agreement; provided, that the Company's failure to comply with this provision shall not adversely affect any right of the Officer hereunder. This Paragraph 9 will apply in the event of any subsequent merger or consolidation or transfer of assets.

In the event of any merger, consolidation or sale of assets described above, nothing contained in this Agreement will detract from or otherwise limit the Officer's right to or privilege of participation in any restricted stock plan, bonus or incentive plan, stock option or purchase plan, profit sharing, pension, group insurance, hospitalization or other compensation or benefit plan or arrangement which may be or become applicable to officers of the corporation resulting from such merger or consolidation or the corporation acquiring such assets of the Company.

In the event of any merger, consolidation or sale of assets described above, references to the Company in this Agreement shall, unless the context suggests otherwise, be deemed to include the entity resulting from such merger or consolidation or the acquirer of such assets of the Company.

10. No Mitigation. The Company agrees that the Officer is not required to seek other employment after a Qualifying Termination or to attempt in any way to reduce any amounts payable to the Officer by the Company under Paragraph 4 of this Agreement. Further, the amount of any payment or benefit provided for in this Agreement shall not be reduced by any compensation earned by the Officer as the result of employment by another employer, by retirement benefits, by offset against any amount claimed to be owed by the Officer to the Company, or otherwise.

11. Payments. All payments provided for in this Agreement shall be paid in cash in the currency of the primary jurisdiction in which the Executive provided services to the Company and its subsidiaries immediately prior to Separation from Service. The

Company shall not be required to fund or otherwise segregate assets to ensure payments under this Agreement.

12. Tax Withholding; Section 409A.

(a) All payments made by the Company to the Officer or the Officer's dependents, beneficiaries or estate will be subject to the withholding of such amounts relating to tax and/or other payroll deductions as may be required by law.

(b) The Parties intend that the benefits and payments provided under this Agreement shall be exempt from, or comply with, the requirements of Section 409A of the Code. Notwithstanding the foregoing, the Company shall in no event be obligated to indemnify the Officer for any taxes or interest that may be assessed by the IRS pursuant to Section 409A of the Code.

13. Arbitration.

(a) The Parties shall submit any disputes arising under this Agreement to an arbitration panel conducting a binding arbitration in Boston, Massachusetts or at such other location as may be agreeable to the Parties, in accordance with the National Rules for the Resolution of Employment Disputes of the American Arbitration Association in effect on the date of such arbitration (the "Rules"), and judgment upon the award rendered by the arbitrator or arbitrators may be entered in any court having jurisdiction thereof. The award of the arbitrator shall be final and shall be the sole and exclusive remedy between the Parties regarding any claims, counterclaims, issues or accountings presented to the arbitrator.

(b) The Parties agree that the arbitration shall be conducted by one (1) person mutually acceptable to the Company and the Officer, provided that if the Parties cannot agree on an arbitrator within thirty (30) days of filing a notice of arbitration, the arbitrator shall be selected by the manager of the principal office of the American Arbitration Association in Suffolk County in the Commonwealth of Massachusetts. Any action to enforce or vacate the arbitrator's award shall be governed by the federal Arbitration Act, if applicable, and otherwise by applicable state law.

(c) If either Party pursues any claim, dispute or controversy against the other in a proceeding other than the arbitration provided for herein, the responding Party shall be entitled to dismissal or injunctive relief regarding such action and recovery of all costs, losses and attorney's fees related to such action.

(d) All of Officer's reasonable costs and expenses incurred in connection with such arbitration shall be paid in full by the Company promptly on written demand from the Officer, including the arbitrators' fees, administrative fees, travel expenses, out-of-pocket expenses such as copying and telephone, court costs, witness fees and attorneys' fees; provided, however, the Company shall pay no more than

$50,000 per year in attorneys' fees unless a higher figure is awarded in the arbitration, in which event the Company shall pay the figure awarded in the arbitration.

(e) Reimbursement of reasonable costs and expenses under Paragraph 13(d) shall be administered consistent with the following additional requirements as set forth in Treas. Reg. § 1.409A-3(i)(1)(iv): (i) the Officer's eligibility for benefits in one year will not affect the Officer's eligibility for benefits in any other year; (ii) any reimbursement of eligible expenses will be made on or before the last day of the year following the year in which the expense was incurred; and (iii) the Officer's right to benefits is not subject to liquidation or exchange for another benefit. Notwithstanding the foregoing, reimbursement for benefits under this Paragraph 13 shall commence no earlier than six months and a day after the Officer's Separation from Service.

(f) The Officer acknowledges and expressly agrees that this arbitration provision constitutes a voluntary waiver of trial by jury in any action or proceeding to which the Officer or the Company may be parties arising out of or pertaining to this Agreement.

14. Assignment; Payment on Death.

(a) The provisions of this Agreement shall be binding upon and shall inure to the benefit of the Officer, the Officer's executors, administrators, legal representatives and assigns and the Company and its successors.

(b) In the event that the Officer becomes entitled to payments under this Agreement and subsequently dies, all amounts payable to the Officer hereunder and not yet paid to the Officer at the time of the Officer's death shall be paid to the Officer's beneficiary. No right or interest to or in any payments shall be assignable by the Officer; provided, however, that this provision shall not preclude the Officer from designating one or more beneficiaries to receive any amount that may be payable after the Officer's death and shall not preclude the legal representatives of the Officer's estate from assigning any right hereunder to the person or persons entitled thereto under the Officer's will or, in the case of intestacy, to the person or persons entitled thereto under the laws of intestacy applicable to the Officer's estate. The term "beneficiary" as used in this Agreement shall mean the beneficiary or beneficiaries so designated by the Officer to receive such amount or, if no such beneficiary is in existence at the time of the Officer's death, the legal representative of the Officer's estate.

(c) No right, benefit or interest hereunder shall be subject to anticipation, alienation, sale, assignment, encumbrance, charge, pledge, hypothecation, or set-off in respect of any claim, debt or obligation, or to execution, attachment, levy or similar process, or assignment by operation of law. Any attempt, voluntary or involuntary, to effect any action specified in the immediately preceding sentence shall, to the full extent permitted by law, be null, void and of no effect.

15. Amendments and Waivers. Except as otherwise specified in this Agreement, this Agreement may be amended, and the observance of any term of this Agreement may be waived (either generally or in a particular instance and either retroactively or prospectively), only with the written consent of the Parties.

16. Integration. The terms of this Agreement shall supersede any prior agreements, understandings, arrangements or representations, oral or otherwise, expressed or implied, with respect to the subject matter hereof which have been made by either Party**,** including but not limited to the Prior Agreement. By signing this Agreement, the Officer releases and discharges the Company from any and all obligations and liabilities heretofore or now existing under or by virtue of such prior agreements.

17. Notices. For the purpose of this Agreement, notices and all other communications provided for in this Agreement shall be in writing and shall be deemed to have been duly given (a) on the date of delivery if delivered by hand, (b) on the date of transmission, if delivered by confirmed facsimile, (c) on the first business day following the date of deposit if delivered by guaranteed overnight delivery service, or (d) on the fourth business day following the date delivered or mailed by United States registered or certified mail, return receipt requested, postage prepaid, addressed as follows:

If to the Officer: at the address (or to the facsimile number) shown on the records of the Company.

If to the Company:

General Counsel
Haemonetics Corporation
400 Wood Road
Braintree, MA 02184

or to such other address as either Party may have furnished to the other in writing in accordance herewith, except that notices of change of address shall be effective only upon receipt.

18. Severability. Any provision of this Agreement held to be unenforceable under applicable law will be enforced to the maximum extent possible, and the balance of this Agreement will remain in full force and effect.

19. Headings of No Effect. The paragraph headings contained in this Agreement are included solely for convenience or reference and shall not in any way affect the meaning or interpretation of any of the provisions of this Agreement.

20. <u>Not an Employment Contract</u>. This Agreement is not an employment contract and shall not give the Officer the right to continue in employment by Company or any of its subsidiaries for any period of time or from time to time. This Agreement shall not adversely affect the right of the Company or any of its subsidiaries to terminate the Officer's employment with or without cause at any time.

21. <u>Governing Law</u>. This Agreement and its validity, interpretation, performance and enforcement shall be governed by the laws of the Commonwealth of Massachusetts (without reference to the choice of law principles thereof).

20. <u>Counterparts</u>. This Agreement may be executed in counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument.

IN WITNESS WHEREOF, the Company has caused this Agreement to be executed by its officers thereto duly authorized, and the Officer has signed this Agreement.

HAEMONETICS CORPORATION

Date: April 2, 2009

By: /s/ Brad Nutter
Brad Nutter
Its: Chairman of the Board

Date: April 2, 2009

OFFICER

/s/ Brian Concannon
Brian Concannon,
President and Chief Executive Officer

EXHIBIT 31.1

CERTIFICATION

I, Brian Concannon, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Haemonetics Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2009

/s/ Brian Concannon
Brian Concannon, President and Chief Executive
Officer (Principal Executive Officer)

EXHIBIT 31.2

CERTIFICATION

I, Christopher Lindop, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Haemonetics Corporation;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
   a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
   b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
   c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures as of the end of the period covered by this report based on such evaluation; and
   d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of registrant's board of directors (or persons performing the equivalent functions):
   a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
   b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

Date: August 5, 2009

/s/ Christopher Lindop

Christopher Lindop, Chief Financial Officer
and Vice President Business Development (Principal
Financial Officer)

EXHIBIT 32.1

Certification Pursuant To
18 USC. 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 27, 2009 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Brian Concannon, 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 5, 2009

/s/ Brian Concannon
Brian Concannon,
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 USC. 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 27, 2009 as filed with the Securities and Exchange Commission on the date hereof (the “Report”), I, Christopher Lindop, Chief Financial Officer and Vice President Business Development 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 5, 2009

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

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.