UNITED STATES

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 8-K/A

CURRENT REPORT

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

Date of Report (Date of earliest event reported) **August 7, 2012**

HAEMONETICS CORPORATION

(Exact name of registrant as specified in its charter)

Massachusetts	**1-14041**	**04-2882273**
(State or other jurisdiction of incorporation)	(Commission File Number)	(I.R.S. Employer Identification No.)

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

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

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

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

o Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
o Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
o Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
o Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

EXPLANATORY NOTE

This current report on Form 8-K/A amends a current report on Form 8-K, filed August 7, 2012 in which Haemonetics Corporation (the “Company”) reported the acquisition from Pall Corporation (“Pall”) of substantially all of the assets relating to its blood collection, filtration, processing, storage and re-infusion product lines, and all of the outstanding equity interest in Pall Mexico Manufacturing, S. de R.L. de C.V, a subsidiary of Pall based in Mexico pursuant to an Asset Purchase Agreement with Pall, the whole blood business. It also reported that the pro forma financial statements required by Item 9.0 (b) will be provided prior to October 10, 2012. This amendment furnishes the pro forma financial statements required by Item 9.0 (b).

Item 9.01 Financial Statements and Exhibits.

(a) **Pro Forma Financial statements**

The Company is furnishing herewith as Exhibit 99.1 the following Unaudited Pro Forma Condensed Combined Financial Information prepared to give effect to the Company's acquisition of the whole blood business. The pro forma financial statements include:

- An Overview
- Unaudited Pro Forma Condensed Combined Balance Sheet as of June 30, 2012
- Unaudited Pro Forma Condensed Combined Statement of Operations for the twelve months year ended March 31, 2012
- Unaudited Pro Forma Condensed Combined Statement of Operations for the three months ended June 30, 2012
- Notes to Unaudited Pro Forma Condensed Combined Financial Statements

(b) **Financial statements**

The Company is furnishing herewith as Exhibit 99.2 and 99.3 the following financial statements in accordance with Regulation S-X Rules 3-01, 3-02 and 3-05:

- Audited financial statements (statement of assets to be sold and liabilities to be assumed and statement of revenues and direct expenses) of the whole blood business as of July 31, 2011 and 2010 and for each of the three years in the period ended July 31, 2011and;
- Unaudited interim financial statements (statement of assets to be sold and liabilities to be assumed and statement of revenues and direct expenses) of the whole blood business as of April 30, 2012 and for the nine months ended April 30, 2012

Limitation on Incorporation by Reference. The information furnished in this Item 9.01, including the Unaudited Pro Forma Condensed Combined Financial Information attached hereto as Exhibit 99.2, Audited financial statements of the whole blood business as of July 31, 2011 and 2010 and for each of the three years in the period ended July 31, 2011 attached hereto as Exhibit 99.3 and Unaudited interim financial statements of the whole blood business as of April 30, 2012 and for the nine months ended April 30, 2012 attached hereto as Exhibit 99.3 shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall such information be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended, or the Exchange Act, except as expressly set forth by specific reference in such a filing.

Cautionary Note Regarding Forward-Looking Statements. Except for historical information these statements are provided for informational and illustrative purposes and is preliminary based on currently available information, which we believe is reasonable, but may be subject to change and differ materially from these statements. This pro forma information does not purport to project the future consolidated financial condition or results of operations for the combined company. The Unaudited Pro Forma Condensed Combined Financial Information contains forward-looking statements that involve certain risks and uncertainties that could cause actual results to differ materially from those expressed or implied by these statements. Please refer to the cautionary notes in the Unaudited Pro Forma Condensed Combined Financial Information regarding these forward-looking statements.

(c) Exhibits

Exhibit Number	Description
99.1	Unaudited Pro Forma Condensed Combined Financial Information of Haemonetics Corporation.
99.2	Audited financial statements of the whole blood business as of July 31, 2011 and 2010 and for each of the three years in the period ended July 31, 2011
99.3	Unaudited interim financial statements of the whole blood business as of April 30, 2012 and for the nine months ended April 30, 2012

SIGNATURE

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

Date: October 1, 2012	Haemonetics Corporation
	By: /S/ CHRISTOPHER LINDOP
	Christopher Lindop
	Chief Financial Officer and Vice President Business Development

The following unaudited pro forma financial statements give effect to Haemonetics Corporation acquisition from Pall Corporation of substantially all of the assets relating to its blood collection, filtration, processing, storage and re-infusion product lines, and all of the outstanding equity interest in Pall Mexico Manufacturing, S. de R.L. de C.V, a subsidiary of Pall based in Mexico (the “Acquisition”). We refer to the acquired business as the “the whole blood business” throughout this report.

Basis for presentation

The unaudited pro forma condensed combined balance sheet combines the unaudited condensed balance sheets of Haemonetics and the unaudited statement of assets to be sold and liabilities to be assumed of the whole blood business as of June 30, 2012 (April 30, 2012 for the whole blood business' unaudited statement of assets to be sold and liabilities to be assumed) and gives effect to the whole blood business as if it had been completed on that date. The unaudited pro forma condensed combined statement of operations for the three months ended June 30, 2012 and the year ended March 31, 2012 combines the historical results of Haemonetics and the unaudited statement of revenues and direct expenses of the whole blood business and gives effect to the Acquisition as if it had occurred on April 3, 2011. Haemonetics and the whole blood business have different fiscal year end dates. The whole blood business' unaudited interim results for its nine months ended April 30, 2012 and year ended July 31, 2011 have been used to prepare the unaudited pro forma condensed combined statement of operations for the year ended March 31, 2012. As a result, the whole blood business' results of operations for the three months ended April 30, 2012 are included in the unaudited pro forma condensed combined statements of operations for both the year ended March 31, 2012 and the three months ended June 30, 2012.

Haemonetics' condensed statement of operations for the twelve month period ended March 31, 2012 is derived from the Form 10-K filed with the SEC on May 22, 2012. The whole blood business' condensed statement of operations for the twelve month period ended March 31, 2012 is derived by adding the results for the three month period ended July 31, 2011 from the unaudited statement of revenues and direct expenses to the results for the nine months ended April 30, 2012 from the unaudited statement of revenues and direct expenses for same period.

The historical financial information of Haemonetics and the whole blood business has been adjusted in the unaudited pro forma condensed combined financial statements to give effect to pro forma events that are (1) directly attributable to the Acquisition and the related debt financing, (2) factually supportable and (3) with respect to the statements of operations, expected to have a continuing impact on the combined results. The unaudited pro forma condensed combined financial statements presented are based on the assumptions and adjustments described in the accompanying notes. The unaudited pro forma condensed combined financial statements are presented for illustrative purposes and do not purport to represent what the financial position or results of operations would have been for prior periods or will be for any future periods. All transactions between Haemonetics and the whole blood business during the periods presented in the unaudited pro forma condensed combined financial statements have been eliminated. The unaudited pro forma condensed combined financial statements are based upon the respective historical consolidated financial information of Haemonetics and the whole blood business and should be read in conjunction with:

- the accompanying notes to these unaudited pro forma condensed combined financial statements;
- the separate historical consolidated financial statements of Haemonetics as of and for the year ended March 31, 2012 and for the three months ended June 30, 2012 and July 2, 2011 filed on Forms 10-K and 10-Q with the SEC on May 22, 2012 and August 8, 2012 respectively;
- the separate historical consolidated financial statements of Haemonetics as of April 2, 2011 and April 3, 2010 and for each of the three years in the period ended April 2, 2011 both filed on Form 10-K with the SEC on May 26, 2011 and June 1, 2010 respectively;
- the separate historical unaudited interim financial statements (statement of assets to be sold and liabilities to be assumed and statement of revenues and direct expenses) of the whole blood business as of April 30, 2012 and for the nine months ended April 30, 2012 included in this filing; and
- the separate historical audited financial statements (statement of assets to be sold and liabilities to be assumed and statement of revenues and direct expenses) of the whole blood business as of July 31, 2011 and 2010 and for each of the three years in the period ended July 31, 2011also included in this filing.

Purchase price allocation

The unaudited pro forma condensed combined financial information was prepared using the purchase method of accounting. As such, the unaudited pro forma condensed combined balance sheet reflects the estimated consideration to be issued by Haemonetics to acquire the whole blood business and has been allocated to the assets acquired and liabilities assumed based upon management's preliminary estimate of their respective fair values as of the date of the Acquisition. Any differences between the estimated fair value of the consideration issued and the estimated fair value of the assets and liabilities acquired is recorded as goodwill. The amounts allocated to the acquired assets and liabilities in the unaudited pro forma condensed combined financial statements are based on management's preliminary valuation estimates. Definitive allocations will be performed and finalized based on certain valuations and other studies that will be performed by Haemonetics with the services of outside valuation specialists. Accordingly, the purchase price allocation adjustments and related amortization reflected in the following unaudited pro forma condensed combined financial statements are preliminary, have been made solely for the purpose of preparing these statements and are subject to revision based on a final determination of fair value after the completion of the allocation of purchase price.

Differences between these preliminary estimates and the final purchase accounting will occur and these differences could have a material impact on the accompanying unaudited pro forma condensed combined financial statements and the combined company's future results of operations and financial position.

Adjustments

The unaudited pro forma condensed combined statements of operations also include certain purchase accounting adjustments, including items expected to have a continuing impact on the combined results, such as increased depreciation and amortization expense on acquired tangible and intangible assets, increased interest expense on the debt incurred to complete the Acquisition, decreased interest income related to the assumed reduction in cash used to complete the Acquisition and the tax impact related to these pro forma adjustments.

The unaudited pro forma condensed combined financial statements reflect the completed borrowings of $475 million under certain credit facilities entered into by Haemonetics and banks on August 1, 2012. The applicable interest rates have been estimated for the purposes of preparing these unaudited pro forma condensed combined financial statements and are subject to change based on the actual amounts borrowed, related fees and expenses and market changes that may result in a change in the actual interest rate applied to borrowings as compared to the rates assumed.

Based on Haemonetics preliminary review of the whole blood business' summary of significant accounting policies disclosed in the whole blood business' financial statements, the nature and amount of any adjustments to the historical financial statements of the whole blood business to conform their accounting policies to those of Haemonetics are not expected to be significant. As such, no pro forma adjustments to conform to accounting policies of the two companies have been reflected in the unaudited pro forma condensed combined financial statements. Further review of the whole blood business' accounting policies and financial statements may result in required revisions to the whole blood business' policies and classifications to conform to those of Haemonetics.

	Unaudited Balance sheet Haemonetics Corporation June 30, 2012	Unaudited Statement of assets to be sold and liabilities to be assumed The whole blood business April 30, 2012	Pro forma Adjustments	Ref	Pro forma Combined
	(Thousands of U.S. dollars, except share and per share amounts)				
ASSETS					
Current assets:					
Cash and cash equivalents	$ 236,047		$ (66,596)	A	$ 169,451
Accounts receivable less allowance	126,130				126,130
Inventories, net	126,843	41,273	10,662	B	178,778
Prepaid expenses and other assets	51,167	2,177			53,344
Total current assets	540,187	43,450	(55,934)		527,703
Property, plant and equipment:					
Land, building, and building improvements	55,533	28,133	43	C	83,709
Plant equipment and machinery	137,877	96,645			234,522
Office equipment and information technology	94,982	5,268			100,250
Construction in progress		13,690			13,690
Haemonetics equipment	229,763				229,763
Total property, plant and equipment	518,155	143,736	43		661,934
Less: accumulated depreciation	(351,915)	(81,487)			(433,402)
Net property, plant and equipment	166,240	62,249	43		228,532
Other assets:					
Intangible assets less amortization	94,913	560	206,190	D	301,663
Goodwill	115,048		214,400	E	329,448
Other long-term assets	11,735		5,596	F	17,331
Total assets	$ 928,123	$ 106,259	$ 370,295		$ 1,404,677
LIABILITIES AND STOCKHOLDERS' EQUITY					
Current liabilities:					
Notes payable less current portion	2,417				2,417
Accounts payable	33,978				33,978
Accrued payroll and related costs	25,162				25,162
Other liabilities	60,349	1,554			61,903
Total current liabilities	121,906	1,554	—		123,460
Long-term debt, net of current maturities	2,642		475,000	F	477,642
Long-term deferred tax liability	24,356				24,356
Other long-term liabilities	21,752				21,752
Stockholders' equity:					
Common stock	256				256
Additional paid-in capital	341,401	104,705	(104,705)	G	341,401
Retained earnings	410,569				410,569
Accumulated other comprehensive income	5,241				5,241
Total stockholders' equity	757,467	104,705	(104,705)		757,467
Total liabilities and stockholders' equity	$ 928,123	$ 106,259	$ 370,295		$ 1,404,677

Unaudited pro forma condensed combined statement of operations

(Thousands of U.S. dollars, except share and per share amounts)

	Twelve months				
	Audited Income Statement Haemonetics Corporation	Unaudited Statement of revenues and direct expenses The whole blood business	Pro forma Adjustments		Pro forma Combined
	March 31, 2012	April 30, 2012		Ref	
Net revenues	$ 727,844	$ 225,799	$ (10,000)	H	$ 943,643
Cost of goods sold	358,604	137,045	(10,000)	H	485,649
Gross profit	369,240	88,754	—		457,994
Operating expenses:					
Research and development	36,801	5,790			42,591
Selling, general and administrative	245,261	23,250	31,222	I	299,733
Contingent consideration income	(1,580)				(1,580)
Impairment charge		7,336	—		7,336
Total operating expenses	280,482	36,376	31,222		348,080
Operating income	88,758	52,378	(31,222)		109,914
Interest expense			(9,520)	J	(9,520)
Other income, net	740		—		740
Income before taxes	89,498	52,378	(40,742)		101,134
Provision for income taxes	22,612		4,073	K	26,685
Net income	$ 66,886	$ 52,378	$ (44,815)		$ 74,449
Basic income per common share					
Net income	$ 2.64				$ 2.94
Income per common share assuming dilution					
Net income	$ 2.59				$ 2.89
Weighted average shares outstanding					
Basic	25,364				25,364
Diluted	25,795				25,795

Unaudited pro forma condensed combined statement of operations

(Thousands of U.S. dollars, except share and per share amounts)

	Three months ended				
	Unaudited Income Statement Haemonetics Corporation June 30, 2012	Unaudited Statement of revenues and direct expenses The whole blood business April 30, 2012	Pro forma Adjustments	Ref	Pro forma Combined
Net revenues	$ 176,475	$ 56,623	$ (2,500)	H	$ 230,598
Cost of goods sold	86,362	34,328	(2,500)	H	118,190
Gross profit	90,113	22,295	—		112,408
Operating expenses:					
Research and development	9,409	1,405			10,814
Selling, general and administrative	67,625	5,819	7,805	I	81,249
Total operating expenses	77,034	7,224	7,805		92,063
Operating income	13,079	15,071	(7,805)		20,345
Interest expense			(2,380)	J	(2,380)
Other income, net	336		—		336
Income before taxes	13,415	15,071	(10,185)		18,301
Provision for income taxes	3,628		1,710	K	5,338
Net income/Loss	$ 9,787	$ 15,071	$ (11,895)		$ 12,963
Basic income per common share					
Net income	$ 0.38				$ 0.51
Income per common share assuming dilution					
Net income	$ 0.38				$ 0.50
Weighted average shares outstanding					
Basic	25,483				25,483
Diluted	25,932				25,932

Notes to Unaudited Pro Forma Condensed Combined Financial Statements
(In thousands, except per share information)

1. Description of Transaction

On August 1, 2012, Haemonetics completed the Acquisition from Pall Corporation (“Pall”) of substantially all of the assets relating to its blood collection, filtration, processing, storage and re-infusion product lines, and all of the outstanding equity interest in Pall Mexico Manufacturing, S. de R.L. de C.V, a subsidiary of Pall based in Mexico pursuant to an Asset Purchase Agreement (the “Purchase Agreement”) with Pall.

At the closing of the Transaction, Haemonetics paid Pall $536 million in cash consideration subject to typical post-closing adjustments to reflect certain cost allocations, assets and liabilities. We anticipate paying an additional $15 million, upon the replication and delivery of certain manufacturing assets of Pall's filter media business to Haemonetics by 2016. Until that time, Pall will manage these assets under a supply agreement.

Credit Facility

On August 1, 2012 in connection with the Acquisition, Haemonetics entered into a credit agreement (Credit Agreement) with JP Morgan Chase Bank, N.A., as Administrative Agent and the other agents and lending parties thereto (together, “Lenders”) which provided for a $475 million term loan (the “Term Loan”) and a $100 million revolving loan (the “Revolving Credit Facility”, and together with the Term Loan, the “Credit Facilities”). The Credit Facilities have a term of five years, mature on July 31, 2017 and are repayable based on an amortization schedule.

Interest is based on LIBOR plus a range of interest depending on the achievement of certain leverage ratios. The Credit Facilities require that Haemonetics comply with certain quantitative and qualitative covenants. If Haemonetics fails to comply, the loan may become immediately repayable.

2. Basis of Presentation

The following unaudited pro forma condensed combined financial statements of Haemonetics have been prepared to give effect to the Acquisition. The unaudited pro forma condensed combined balance sheet combines the unaudited condensed balance sheets of Haemonetics and the unaudited statement of assets to be sold and liabilities to be assumed of the whole blood business as of April 30, 2012 and gives effect to the Acquisition as if it had been completed on June 30, 2012. The unaudited pro forma condensed combined statement of operations for the three months ended June 30, 2012 and year ended March 31, 2012 combines the historical results of Haemonetics and the unaudited statement of revenues and direct expenses of the whole blood business and gives effect to the Acquisition as if it had occurred on April 3, 2011. Haemonetics and the whole blood business have different fiscal year end dates. While the difference is more than 93 days, the whole blood business's results for its nine months ended April 30, 2012 and three months ended July 31, 2011 have been used to prepare the unaudited pro forma condensed combined statement of operations for the twelve months ended June 30, 2012. The three months ended April 30, 2012 have been derived by dividing the results of nine months ended April 30, 2012 by 3. As a result, the whole blood business' results of operations for the three months ended April 30, 2012 are included in the unaudited pro forma condensed combined statements of operations for both the year ended March 31, 2012 and the three months ended June 30, 2012.

The unaudited pro forma condensed combined statement of operations for the twelve month period ended March 31, 2012 combines the historical results of Haemonetics and the whole blood business and gives effect to the Acquisition as if it had occurred on April 3, 2011. Haemonetics condensed statement of operations for the twelve month period ended March 31, 2012 is derived from the Form 10-K filed with the SEC on May 22, 2012. The whole blood business' condensed statement of operations for the twelve month period ended March 31, 2012 is derived by adding the results for the three month period ended July 31, 2011 to the results for the nine months ended April 30, 2012.

The unaudited pro forma condensed combined financial information was prepared using the purchase method of accounting. As such, the unaudited pro forma condensed combined balance sheet reflects the estimated consideration to be issued by Haemonetics to acquire the whole blood business and has been allocated to the assets acquired and liabilities assumed based upon management's preliminary estimate of their respective fair values as of the date of the Acquisition. Any differences between the estimated fair value of the consideration issued and the estimated fair value of the assets and liabilities acquired is recorded as goodwill. The amounts allocated to the acquired assets and liabilities in the unaudited pro forma condensed combined financial statements are based on management's preliminary valuation estimates. Definitive allocations will be performed and finalized based on certain valuations and other studies that will be performed by Haemonetics with the services of outside valuation specialists. Accordingly, the purchase price allocation adjustments and related amortization reflected in the following unaudited pro forma condensed combined financial statements are preliminary, have been made solely for the purpose of preparing these statements and are subject to revision based on a final determination of fair value after the allocation of purchase price.

Acquisition-related transaction costs (e.g., legal, valuation experts, and other professional and advisor fees) and certain acquisition restructuring and related charges are not included as a component of consideration transferred but are required to be expensed as incurred.

3. Purchase Price and Allocation

The following is a preliminary estimate of the purchase price for the whole blood business:

Estimated cash to be paid to Pall	$	536,000

For purposes of this pro forma analysis, the above purchase price has been allocated based on a preliminary estimate of the fair value of net assets acquired.

Purchase Price Allocation		
Book value of net assets acquired on August 1, 2012	$	104,705
Less: the whole blood business' historical intangible assets		(560)
Adjusted book value of assets acquired		104,145
Remaining allocation:		
Increase property and equipment to fair value (a)		43
Increase inventory to fair value (b)		10,662
Identifiable intangible assets (c)		206,750
Goodwill (d)		214,400
Estimated purchase price	$	536,000

(a) As of the effective time of the Acquisition, property, plant and equipment is required to be measured at fair value, unless those assets are classified as held-for-sale on the Acquisition date. The acquired assets can include assets that are not intended to be used or sold, or that are intended to be used in a manner other than their highest and best use. To estimate the required step-up adjustment, Haemonetics utilized the whole blood business' fixed asset records underlying the whole blood business' disclosure of the elements of property, plant and equipment in its April 30, 2012 financial statements. Haemonetics estimated the fair value of property, plant and equipment using a combination of the cost and market approaches, depending on the component and estimated that the fair value adjustment to increase property, plant and equipment would approximate $0.04 million. The estimate of fair value is preliminary and subject to change and could vary materially from the actual adjustment on the completion of allocating purchase price.

(b) As of the effective time of the Acquisition, inventories are required to be measured at fair value. To estimate the required inventory step-up adjustment, Haemonetics utilized the whole blood business' inventory records underlying the whole blood business' disclosure of the elements of inventory in its April 30, 2012 financial statements. Additionally, the estimated selling prices and selling and distribution costs used in determining the fair value were estimated using the whole blood business' historical results and Haemonetics experience with other acquisitions. This estimate of fair value is preliminary and the ultimate adjustment to inventory may vary once more information is available.

(c) As of the effective time of the Acquisition, identifiable intangible assets are required to be measured at fair value and these acquired assets could include assets that are not intended to be used or sold or that are intended to be used in a manner other than their highest and best use. For purposes of these unaudited pro forma condensed combined financial statements, it is assumed that all assets will be used and in a manner that represents the highest and best use of those assets, but it is not assumed that any market participant synergies will be achieved. The consideration of synergies has been excluded because they are not considered to be factually supportable, which is a required condition for these pro forma adjustments

Based upon a preliminary valuation analysis, for purposes of these pro forma combined condensed financial statements, the fair value of identified intangible assets and their weighted-average useful lives have been estimated as follows:

	Estimated Fair Value	Weighted average useful life
Customer relationships	$ 144,725	10 years
Existing technology	62,025	10 years
	$ 206,750	

The preliminary fair value of the intangible assets has been estimated using the income approach in which the after-tax cash flows are discounted to present value. The cash flows are based on estimates used to price the transaction and the discount rates applied were benchmarked with reference to the implied rate of return from the transaction model as well as the weighted average cost of capital. Based on the preliminary valuation, the acquired intangible assets are comprised of existing technology of approximately $175.7 million, representing three product families and customer relationship assets of approximately $31.0 million.

The existing technology assets relate to currently marketed products and related filter technology and consideration was only given to products that have been approved by the FDA.

These preliminary estimates of fair value and estimated useful lives will likely be different from the final acquisition accounting and the difference could have a material impact on the accompanying unaudited pro forma condensed combined financial statements. In allocating purchase price to the respective assets, additional information may be obtained by Haemonetics regarding the specifics of the whole blood business' intangible assets and additional insight will be gained that could impact: (i) the estimated total value assigned to intangible assets, (ii) the estimated allocation of value between definite-lived and indefinite-lived intangible assets and/or (iii) the estimated weighted-average useful life of each category of intangible assets. The estimated intangible asset values and their useful lives could be impacted by a variety of factors that may become known to Haemonetics only upon access to additional information and/or by changes in such factors that may occur prior to the conclusion of allocating purchase price to acquired assets and liabilities.

(d) After allocation of the preliminary purchase price to the estimated fair values of acquired assets and liabilities as of August 1, 2012, goodwill is approximately $214.4 million. The factors contributing to the recognition of the amount of goodwill are based on several strategic and synergistic benefits that are expected to be realized from the Acquisition. These benefits include work force at the various plants and locations, technological know-how in filter manufacturing and access to the whole blood business market. The combined company anticipates significant cross-selling opportunities within the blood center market through a combination of apheresis and manual collection products and services

4. Pro Forma Adjustments to Unaudited Pro Forma Condensed Consolidated Balance Sheet

The following pro forma adjustments are based on preliminary estimates, which may change as additional information is obtained:
(A) Reflects adjustments to cash related to the following:

Cash proceeds received from debt financing (a)	$	475,000
Cash payment made to Pall Corporation (b)		(536,000)
Estimated deferred financing costs		(5,596)
Gross cash disbursed to fund the transaction	$	(66,596)

(a) See item (F) below for long-term debt obligations
(b) Represents payment of cash to acquire the whole blood business assets

(B) Adjust acquired inventory to an estimate of fair value. In the periods following consummation of the Acquisition, Haemonetics cost of revenue will reflect the increased valuation of the whole blood business' inventory as the acquired inventory is sold, which for purposes of these unaudited pro forma condensed combined financial statements is assumed will occur within the first year post-acquisition. This is considered a non-recurring adjustment with no continuing impact on the combined operating results and as such is not included in the unaudited pro forma condensed combined statement of income.	$	10,662

(C) Adjust for the estimated difference between the book value and the fair value of net property, plant and equipment. See Note 3(a).	$	43

(D) To reflect the acquired identifiable intangible assets at estimated fair value and elimination of the whole blood business' historical intangible assets as follows:

Estimated acquired intangible assets	$	206,750
Eliminate the whole blood business historical intangible assets		(560)
Intangible assets adjustment	$	206,190

(E) To reflect goodwill from the Acquisition

Estimated transaction goodwill (Note 3d)	$	214,400

(F) To reflect the assumed increase in debt of $475 million incurred to complete the Acquisition. As noted above, Haemonetics has secured a credit facility from a group of lenders with JP Morgan Chase Bank, N.A., as Administrative Agent for a portion of the cash consideration to effect the Acquisition. Haemonetics has borrowed approximately $475 million of the credit facilities, which excludes the $100 million revolving credit facility and used available combined cash of approximately $61million to finance the remainder of the Acquisition and pay financing fees. In connection with obtaining this financing Haemonetics paid financing fees to the lenders, and for purposes of the pro forma financial statements, Haemonetics has calculated such fees based on the credit facilities. Accordingly, an aggregate of approximately $5.6 million of deferred financing costs are reflected as an adjustment to increase other assets.

(G) To eliminate the historical stockholders' equity accounts of the whole blood business.

5. Pro Forma Adjustments to Unaudited Pro Forma Condensed Consolidated Statements of Operations

(H) To eliminate sales from the whole blood business to Haemonetics which are included in both sets of financial statements for the periods presented as revenue and cost of sales respectively. After the Acquisition, these revenues and cost of sales will not recur.

(I) Adjustments to selling, general and administrative expenses are comprised of the following:

	Year Ended March 31, 2012	Three Months Ended June 30, 2012
Additional Cost to operate the expanded company (a)	$ 10,540	$ 2,635
Depreciation on property, plant and equipment fair value adjustment	$ 6	$ 1
Amortization of acquired intangible assets related to technology and customer relationships	20,876	5,219
Elimination of the whole blood business' historical intangible asset amortization	(200)	(50)
	$ 31,222	$ 7,805

(a) The whole blood business operated as a product line within a division of Pall Corporation, and certain support functions performed by division or corporate functions will not transfer to Haemonetics. Haemonetics believes it will be required to make additional investments in infrastructure costs to replicate support functions provided by Pall Corporation, and currently estimates incremental selling, general and administrative expenses associated with these investments will be approximately $10.5 million. Incremental investments are primarily related to information technology infrastructure and application costs, and personnel costs required to expand regional and corporate administrative and sales support functions. These costs are not intended to be representative of actual costs incurred by Pall Corporation, and represent Haemonetics best estimate of future incremental costs on an annualized basis. Actual incremental investments may differ from these estimates.

J) Adjustments to interest expense are comprised of the following:

	Year Ended March 31, 2012	Three Months Ended June 30, 2012
Cash interest on the Credit Facilities (a)	$ (8,133)	$ (2,033)
Deferred financing costs	(1,387)	$ (347)
	$ (9,520)	$ (2,380)

To reflect additional interest expense from the increase in debt of $475 million to complete the acquisition of the whole blood business as discussed above and related financing costs incurred to obtain such debt, calculated as described below based on the assumed rates. The Term Loan bears interest at LIBOR plus a range of 1.125% to 1.500% depending on the achievement of certain leverage ratios. Interest for the purposes of the pro forma financial information was calculated at 1.625%. The amortization of anticipated deferred financing costs of $5.6 million was included to determine the total increase in interest expense. The amortization of deferred financing costs was based on the repayment schedule of the Term Loan described above. The repayment of the Credit Facilities was not assumed for any of the statement of financial position presented

(a) The interest includes $0.4 million of interest on mortgages.

(K) To record the tax expense on pro forma income before income taxes to reflect the statutory tax rate. Although not reflected in these unaudited pro forma condensed combined financial statements, the effective tax rate of the combined company could be significantly different depending on post-acquisition activities, including potential repatriation of earnings from subsidiaries outside the U.S. and geographical mix of taxable income affecting state and foreign taxes, among other factors.

Blood Collection, Filtration and Processing Product Line
(A component of Pall Corporation)

Financial Statements

(With Independent Auditors' Report Thereon)

July 31, 2011 and 2010

Blood Collection, Filtration and
Processing Product Line
(A component of Pall Corporation)

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Independent Auditors' Report

The Board of Directors

Pall Corporation:

We have audited the accompanying Statements of Assets to be Sold and Liabilities to be Assumed of the Blood Collection, Filtration and Processing Product Line (a component of Pall Corporation) as of July 31, 2011 and 2010, and the related Statements of Revenues and Direct Expenses for each of the years in the three-year period ended July 31, 2011. These financial statements are the responsibility of Pall Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

The accompanying financial statements were prepared to present the assets to be sold and liabilities to be assumed and revenues and direct expenses of the Blood Collection, Filtration and Processing Product Line (a component of Pall Corporation), due to the Asset Purchase Agreement by and between Pall Corporation and Haemonetics Corporation as described in note 1 to the financial statements, and are not intended to be a complete presentation of financial position or results of operations.

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets to be sold and liabilities to be assumed of the Blood Collection, Filtration and Processing Product Line (a component of Pall Corporation) as of July 31, 2011 and 2010, and the revenues and direct expenses for each of the years in the three-year period ended July 31, 2011, in conformity with U.S. generally accepted accounting principles, as further discussed in note 1, Description of Business and Basis of Presentation.

/s/ KPMG

Melville, New York

July 16, 2012

Blood Collection, Filtration and
Processing Product Line
(A component of Pall Corporation)

Statements of Assets to be Sold and Liabilities to be Assumed
(In thousands)

		July 31, 2011	July 31, 2010
Current assets to be sold:			
Inventory	$	37,125	40,300
Other current assets		2,189	1,485
Total current assets to be sold		39,314	41,785
Property, plant and equipment		64,567	69,298
Intangible assets		683	845
Other noncurrent assets		103	145
Total assets to be sold		104,667	112,073
Total liabilities to be assumed		1,817	1,719
Net assets to be sold	$	102,850	110,354

See accompanying notes to financial statements.

Blood Collection, Filtration and
Processing Product Line
(A component of Pall Corporation)

Statements of Revenues and Direct Expenses
(In thousands)

		Years ended		
		July 31, 2011	**July 31, 2010**	**July 31, 2009**
Net sales	$	223,721	216,253	209,557
Cost of sales		136,243	131,697	134,053
Gross profit		87,478	84,556	75,504
Selling, general and administrative expenses		23,166	23,282	24,262
Research and development		6,299	6,148	6,433
Asset impairment charges		7,336	—	—
Revenues in excess of direct expenses	$	50,677	55,126	44,809

See accompanying notes to financial statements.

Description of Business and Basis of Presentation

Background and Description of Business

On April 28, 2012, Pall Corporation (the Company) entered into an agreement to sell certain assets of its blood collection, filtration and processing product line (the Product Line) to Haemonetics Corporation (Haemonetics or the Buyer) for approximately $550,000. The sale is expected to be completed with an effective date of August 1, 2012.

Assets included in the transaction relate to the Company's portfolio of blood collection, processing and filtration systems and equipment for transfusion medicine. These products are sold throughout the world primarily to blood collection centers and hospitals, both directly and through third party distributors, for manual whole blood collections and for leukoreduction of red cells, plasma, and platelets. The Product Line also includes filters sold to OEM customers for automated collections and automated component processing.

The sale will include the transfer of manufacturing facilities in Covina, California; Tijuana, Mexico; Ascoli, Italy and a portion, through a long-term lease, of the Company's facility in Fajardo, Puerto Rico. Separate from these manufacturing facilities, the Company will also transfer related blood media manufacturing capability to Haemonetics. The transfer of the related media manufacturing line, which is yet to be constructed, is expected to be completed by calendar year 2016. Until that time, the Company will provide these media products under a supply agreement. At closing, approximately 1,300 employees will transition to Haemonetics. In addition, inventory, other assets, certain intangible assets and property, plant and equipment, and certain employment-related liabilities related to the Product Line are being transferred to Haemonetics. Receivables, payables and other accrued expenses related to the Product Line prior to closing will remain with the Company.

Basis of Presentation

The Product Line has not been accounted for as a separate entity, subsidiary or division of the Company. In addition, stand-alone financial statements related to the Product Line have never been prepared previously as the Company's financial system is not designed to provide complete financial information of the Product Line, and the Company's independent auditors have never audited or reported separately on the operations or net assets of the Product Line. Therefore, it is not practical to provide the Buyer with full financial statements for the Product Line. Thus, statements of assets to be sold and liabilities to be assumed and statements of revenues and direct expenses (the Financial Statements) were prepared.

The preparation of Financial Statements in accordance with United States (U.S.) Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that may affect the reported amounts of assets acquired, liabilities assumed, revenues, direct expenses and related disclosures during the reporting periods. Management bases its estimates on historical experiences and various other assumptions it believes to be reasonable. Actual results may differ from those estimates.

These Financial Statements have been derived from the accounting records of the Company using its historical results of operations and financial position. Management has included allocations, where necessary, that management believes are reasonable and appropriate, since certain support costs were not historically included in the Product Line. The Financial Statements do not necessarily represent the assets to be sold and liabilities to be assumed or revenues and direct expenses as if the Product Line had been operating as a separate, stand-alone entity during the periods presented. In addition, the Financial Statements are not indicative of the financial condition or results of operations of the Product Line going forward due to changes that may be made in the business by Haemonetics and the omission of various operating expenses.

The Financial Statements include all or a portion of the Company's subsidiaries involved in the Product Line, all of which are wholly owned by the Company. All significant intercompany balances and transactions have been eliminated.

Financial statements of foreign subsidiaries have been translated into U.S. dollars at exchange rates as follows: (i) asset and liability accounts at year-end rates, and (ii) revenue and direct expense accounts at weighted average rates. Transaction gains and losses are reflected in the statements of revenues and direct expenses and were not significant for any of the periods presented.

Under the Company's cash management approach, generally all cash, investment, derivative and debt balances are handled centrally by the Company's treasury function. The Company's financial reporting systems are not designed to track financial results on a product line basis. As such, information on operating, investing or financing cash flows for this business are not available for separate disclosure in accordance with U.S. GAAP.

The net sales included in the accompanying statements of revenues and direct expenses represent net sales directly attributable to the Product Line. The costs and expenses included in the accompanying statements of revenues and direct expenses include direct and allocated costs and expenses directly related to the Product Line. The allocation approaches used are more fully described in note 2, Summary of Significant Accounting Policies.

The statements of revenues and direct expenses do not include costs not directly associated with producing the revenues from the Product Line (such as corporate, shared services and other indirect general & administrative costs) as well as interest income/expense and income taxes.

(2) Summary of Significant Accounting Policies

(a) Inventory

Inventory is valued at the lower of cost (on the first-in, first-out method) or market. All inventory included in the statements of assets to be sold and liabilities to be assumed is directly attributable to the Product Line.

(b) Long-Lived Assets

Property, plant and equipment are stated at cost. Depreciation is provided over the estimated useful lives of the respective assets, principally on a straight-line basis. The estimated useful lives range from 30 to 50 years for buildings, three to ten years for machinery and equipment, three to ten years for information technology hardware and software and eight to ten years for furniture and fixtures. Leasehold improvements are depreciated over the shorter of the remaining life or the remaining lease term.

The Company's amortizable intangible assets are comprised almost entirely of patents which are recorded at cost and are subject to amortization for periods ranging up to 18 years, principally on a straight-line basis.

The Product Line reviews its long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset (or asset group) may not be recoverable. If the sum of the expected cash flows, undiscounted, is less than the carrying amount of the asset (or asset group), an impairment loss is recognized as the amount by which the carrying amount of the asset (or asset group) exceeds its fair value. See note 7, Asset Impairment Charges, for a discussion of an impairment charge related to the Product Line recognized during fiscal year 2011.

(c) Revenue Recognition

Revenue is recognized when title and risk of loss have transferred to the customer and when contractual terms have been fulfilled. Transfer of title and risk of loss occurs when the product is delivered in accordance with the contractual shipping terms.

During the years ended July 31, 2011, July 31, 2010 and July 31, 2009, one customer accounted for approximately 19%, 20% and 20%, respectively, of total Product Line sales.

(d) Cost of Sales

Cost of sales includes direct variable and fixed costs, as well as an allocation of indirect costs associated with the Product Line's manufacturing operations. The allocations were based upon a variety of measures, such as shipments, materials purchase, square footage, headcount and payroll.

(e) Selling and Marketing Expenses

Selling and marketing expenses were either specifically identified or based upon an allocation. The allocations were based upon a variety of measures, such as headcount, payroll and shipments.

(f) General and Administrative Expenses

General and administrative expenses were either specifically identified or allocated based upon a variety of measures, such as headcount, payroll and shipments.

(g) Research and Development Expenses

Research and development costs, which are expensed when incurred, were either specifically identified or based upon an allocation. The allocations were based upon a variety of measures, such as headcount, payroll and square footage of laboratory space.

(In thousands)

(3) Inventory

The major classes of inventory, net, are as follows:

		2011	2010
Raw materials and components	$	14,169	13,008
Work-in-process		2,329	3,704
Finished goods		20,627	23,588
	$	37,125	40,300

(4) Property, Plant and Equipment

Property, plant and equipment consist of the following:

		2011	2010
Land	$	1,491	1,491
Buildings and improvements		27,361	31,361
Machinery and equipment		93,908	102,008
Construction in progress		13,668	15,708
Information technology hardware and software		3,064	2,777
Furniture and fixtures		1,649	1,623
		141,141	154,968
Less accumulated depreciation and amortization		(76,574)	(85,670)
	$	64,567	69,298

Depreciation expense for property, plant and equipment for fiscal years 2011, 2010 and 2009 was $9,178, $9,752 and $11,305, respectively.

(In thousands)

(5) Intangible Assets

Intangible assets consist of the following:

	2011		
	Gross	Accumulated amortization	Net
Patents	$ 2,605	1,943	662
Trademarks	84	63	21
	$ 2,689	2,006	683

	2010		
	Gross	Accumulated amortization	Net
Patents	$ 2,621	1,798	823
Trademarks	84	61	22
	$ 2,704	1,859	845

Amortization expense for intangible assets for fiscal years 2011, 2010 and 2009 was $209, $231 and $225, respectively, in the selling, general and administrative expense line in the statement of revenues and direct expenses. Amortization expense is estimated to be approximately $204 in fiscal year 2012, $156 in fiscal year 2013, $92 in fiscal year 2014, $69 in fiscal year 2015 and $33 in fiscal year 2016.

(6) Contingencies and Commitments

The Company is currently subject to certain lawsuits and claims arising in the normal course of business. Twenty-five (25) former temporary workers at Pall Italia S.r.l.'s Ascoli facility have made claims seeking to be rehired on the grounds that changes to Italian law provide for certain temporary workers to be deemed permanent workers with certain employment rights. A limited number of former temporary workers are similarly situated but have not yet made any claims against Pall Italia S.r.l. although there remains a time period for them to bring such claims. Pall Italia S.r.l. has already rehired certain workers pursuant to court order, with the remainder of the claims sill pending before the Court of Ascoli. The claims include claims for back pay and reinstatement. These, and any other lawsuits or claims relating to the business, are the responsibility of the Company under the Agreement to the extent they relate to the operation of the business prior to the completion of the transaction. To the extent that orders for reinstatement of the former temporary workers are rendered after completion of the transaction, the buyer is obligated to cooperate with the Company to implement such remedy. Pending lawsuits and claims relating to the business are not expected to have a material impact on the statements of assets to be sold and liabilities to be assumed and statements of revenues and direct expenses.

In connection with the operations of the Product Line, the Company has operating leases, principally for office and warehouse space. Rent expense for all operating leases amounted to approximately $1,919 in fiscal year 2011, $1,916 in fiscal year 2010 and $1,870 in fiscal year 2009. Future minimum rental commitments at July 31, 2011, for all noncancelable operating leases, including an allocation for leases not included with the sale of the Product Line, with initial terms exceeding one year are approximately $1,435 in 2012; $1,261 in 2013; $1,272 in 2014; $1,218 in 2015 and $1,208 in 2016.

(7) Asset Impairment Charges

The Company reviews long-lived assets for impairment whenever events or circumstances indicate that the carrying amount of an asset may not be recoverable. During fiscal year 2011, the Company performed an assessment of its manufacturing capacity related to the Product Line. This change in circumstances in the use of certain manufacturing long-lived assets, including buildings and machinery and equipment, indicated that the carrying amount of those assets was not recoverable. The Company estimated the fair value of those assets using primarily marketplace prices for similar assets and determined they were below the carrying value. Based upon that assessment, the Company recorded an impairment charge of $7,336.

(8) Subsequent Events

Subsequent events have been evaluated through July 16, 2012, which is the date the financial statements were available to be issued.

Blood Collection, Filtration and
Processing Product Line
(A Component of Pall Corporation)

As of and for the nine months ended April 30, 2012

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BLOOD COLLECTION, FILTRATION AND
PROCESSING PRODUCT LINE

(A Component of Pall Corporation)

Statements of Assets to be Sold and Liabilities to be Assumed

(Unaudited)
(In thousands)

		April 30, 2012	July 31, 2011
Current assets to be sold:			
Inventory	$	41,273	37,125
Other current assets		2,177	2,189
Total current assets to be sold		43,450	39,314
Property, plant and equipment		62,249	64,567
Intangible assets		560	683
Other non-current assets		—	103
Total assets to be sold		106,259	104,667
Total liabilities to be assumed		1,554	1,817
Net assets to be sold	$	104,705	102,850

See accompanying notes to interim financial statements.

BLOOD COLLECTION, FILTRATION AND PROCESSING PRODUCT LINE

(A Component of Pall Corporation)

Statements of Revenues and Direct Expenses

(Unaudited)

(In thousands)

	Nine months ended April 30, 2012	Nine months ended April 30, 2011
Net sales	$ 169,869	162,038
Cost of sales	102,984	98,411
Gross profit	66,885	63,627
Selling, general and administrative expenses	17,458	16,956
Research and development	4,215	4,800
Revenues in excess of direct expenses	$ 45,212	41,871

See accompanying notes to interim financial statements.

BLOOD COLLECTION, FILTRATION AND
PROCESSING PRODUCT LINE
(A Component of Pall Corporation)

Notes to Interim Financial Statements

(Unaudited)

(In thousands)

(1) **Description of Business and Basis of Presentation**

(a) ***Background and Description of Business***

On April 28, 2012, Pall Corporation (the Company) entered into an agreement to sell certain assets of its blood collection, filtration and processing product line (the Product Line) to Haemonetics Corporation (Haemonetics or the Buyer) for approximately $550,000. The sale is expected to be completed with an effective date of August 1, 2012.

Assets included in the transaction relate to the Company's portfolio of blood collection, processing and filtration systems and equipment for transfusion medicine. These products are sold throughout the world primarily to blood collection centers and hospitals, both directly and through third party distributors, for manual whole blood collections and for leukoreduction of red cells, plasma, and platelets. The Product Line also includes filters sold to OEM customers for automated collections and automated component processing.

The sale will include the transfer of manufacturing facilities in Covina, California; Tijuana, Mexico; Ascoli, Italy and a portion, through a long-term lease, of the Company's facility in Fajardo, Puerto Rico. Separate from these manufacturing facilities, the Company will also transfer related blood media manufacturing capability to Haemonetics. The transfer of the related media manufacturing line, which is yet to be constructed, is expected to be completed by calendar year 2016. Until that time, the Company will provide these media products under a supply agreement. At closing, approximately 1,300 employees will transition to Haemonetics. In addition, inventory, other assets, certain intangible assets and property, plant and equipment, and certain employment-related liabilities related to the Product Line are being transferred to Haemonetics. Receivables, payables and other accrued expenses related to the Product Line prior to closing will remain with the Company.

(b) ***Basis of Presentation***

The Product Line has not been accounted for as a separate entity, subsidiary or division of the Company. In addition, stand-alone financial statements related to the Product Line have never been prepared previously as the Company's financial system is not designed to provide complete financial information of the Product Line, and the Company's independent auditors have never audited or reported separately on the operations or net assets of the Product Line. Therefore, it is not practical to provide the Buyer with full financial statements for the Product Line. Thus, statements of assets to be sold and liabilities to be assumed and statements of revenues and direct expenses (the Financial Statements) were prepared.

The preparation of Financial Statements in accordance with United States (U.S.) Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that may affect the reported amounts of assets acquired, liabilities assumed, revenues, direct expenses and related disclosures during the reporting periods. Management bases its estimates on historical experiences and various other assumptions it believes to be reasonable. Actual results may differ from those estimates.

These Financial Statements have been derived from the accounting records of the Company using its historical results of operations and financial position. Management has included allocations, where necessary, that management believes are reasonable and appropriate, since certain support costs were not historically included in the Product Line. The Financial Statements do not necessarily represent the assets to be sold and liabilities to be assumed or revenues and direct expenses as if the Product Line had been operating as a separate, stand-alone entity during the periods presented. In addition, the Financial Statements are not indicative of the financial condition or results of operations of the Product Line going forward due to changes that may be made in the business by Haemonetics and the omission of various operating expenses.

The Financial Statements include all or a portion of the Company's subsidiaries involved in the Product Line, all of which are wholly owned by the Company. All significant intercompany balances and transactions have been eliminated.

Financial statements of foreign subsidiaries have been translated into U.S. dollars at exchange rates as follows: (i) asset and liability accounts at year-end rates, and (ii) revenue and direct expense accounts at weighted average rates. Transaction gains and losses are reflected in the statements of revenues and direct expenses and were not significant for any of the periods presented.

Under the Company's cash management approach, generally all cash, investment, derivative and debt balances are handled centrally by the Company's treasury function. The Company's financial reporting systems are not designed to track financial results on a product line basis, as such, information on operating, investing or financing cash flows for this business are not available for separate disclosure in accordance with U.S. GAAP.

The net sales included in the accompanying statements of revenues and direct expenses represent net sales directly attributable to the Product Line. The costs and expenses included in the accompanying statements of revenues and direct expenses include direct and allocated costs and expenses directly related to the Product Line.

The statements of revenues and direct expenses do not include costs not directly associated with producing the revenues from the Product Line (such as corporate, shared services and other indirect general & administrative costs) as well as interest income/expense and income taxes.

(In thousands)

(2) **Inventory**

The major classes of inventory, net, are as follows:

		April 30, 2012	July 31, 2011
Raw materials and components	$	13,507	14,169
Work-in-process		4,441	2,329
Finished goods		23,325	20,627
	$	41,273	37,125

(3) **Property, Plant and Equipment**

Property, plant and equipment consist of the following:

		April 30, 2012	July 31, 2011
Land	$	1,491	1,491
Buildings and improvements		26,642	27,361
Machinery and equipment		96,645	93,908
Construction in progress		13,690	13,668
Information technology hardware and software		3,038	3,064
Furniture and fixtures		2,230	1,649
		143,736	141,141
Less accumulated depreciation and amortization		(81,487)	(76,574)
	$	62,249	64,567

Depreciation expense for property, plant and equipment for the nine months ended April 30, 2012 and April 30, 2011 was $7,531 and $6,875, respectively.

(In thousands)

(4) **Intangible Assets**

Intangible assets consist of the following:

	April 30, 2012		
	Gross	Accumulated amortization	Total
Patents	$ 2,590	2,048	542
Trademarks	84	66	18
	$ 2,674	2,114	560

	July 31, 2011		
	Gross	Accumulated amortization	Total
Patents	$ 2,605	1,943	662
Trademarks	84	63	21
	$ 2,689	2,006	683

Amortization expense for intangible assets for nine months ended April 30, 2012 and April 30, 2011 was $150 and $158, respectively, in the selling, general and administrative expense line in the statement of revenues and direct expenses. Amortization expense is estimated to be approximately $54 for the remainder of fiscal year 2012, $156 in fiscal year 2013, $92 in fiscal year 2014, $69 in fiscal year 2015, $33 in fiscal year 2016 and $22 in fiscal year 2017.

(5) **Contingencies and Commitments**

The Company is currently subject to certain lawsuits and claims arising in the normal course of business. Twenty-five (25) former temporary workers at Pall Italia S.r.l.'s Ascoli facility have made claims seeking to be rehired on the grounds that changes to Italian law provide for certain temporary workers to be deemed permanent workers with certain employment rights. A limited number of former temporary workers are similarly situated but have not yet made any claims against Pall Italia S.r.l. although there remains a time period for them to bring such claims. Pall Italia S.r.l. has already rehired certain workers pursuant to court order, with the remainder of the claims sill pending before the Court of Ascoli. The claims include claims for back pay and reinstatement. These, and any other lawsuits or claims relating to the business, are the responsibility of the Company under the Agreement to the extent they relate to the operation of the business prior to the completion of the transaction. To the extent that orders for reinstatement of the former temporary workers are rendered after completion of the transaction, the buyer is obligated to cooperate with the Company to implement such remedy. Pending lawsuits and claims relating to the business are not expected to have a material impact on the statements of assets to be sold and liabilities to be assumed and statements of revenues and direct expenses.

(6) **Subsequent Events**

Subsequent events have been evaluated through July 16, 2012, which is the date the financial statements were available to be issued.