FORM 10-Q

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

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

For the quarter ended: September 28, 2002   Commission File Number: 1-10730

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

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

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

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

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

Yes X No

Indicate the number of shares outstanding of each of the issuer's classes of common stock, as of the latest practicable date.

24,390,900 shares of Common Stock, $ .01 par value, as of
September 28, 2002

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PART I. FINANCIAL INFORMATION

ITEM 1. Financial Statements

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

	Three Months Ended		Six Months Ended	
	September 28, 2002	September 29, 2001	September 28, 2002	September 29, 2001
Net Revenues	$87,025	$80,704	$168,960	$156,505
Cost of goods sold	48,135	40,903	91,423	80,393
Gross profit	38,890	39,801	77,537	76,112
Operating expenses:				
Research and development	5,110	4,988	10,049	9,802
Selling, general and administrative	23,954	21,859	47,970	43,824
Total operating expenses	29,064	26,847	58,019	53,626
Operating income	9,826	12,954	19,518	22,486
Interest expense	(870)	(981)	(1,747)	(1,963)
Interest income	345	1,089	786	2,177
Other income, net	525	755	1,088	1,728
Income before provision for income taxes	9,826	13,817	19,645	24,428
Provision for income taxes	3,046	3,869	6,090	6,840
Income before cumulative effect of change in accounting principle	6,780	9,948	13,555	17,588
Cumulative effect of change in accounting principle, net of tax				2,304
Net income	$ 6,780	$ 9,948	$ 13,555	$ 19,892
Basic income per common share				
Income before cumulative effect of change in accounting principle	$ 0.28	$ 0.38	$ 0.54	$ 0.67
Cumulative effect of change in accounting principle, net of tax				$ 0.09
Net income	$ 0.28	$ 0.38	$ 0.54	$ 0.76
Diluted income per common share				
Income before cumulative effect of change in accounting principle	$ 0.27	$ 0.37	$ 0.53	$ 0.65
Cumulative effect of change in accounting principle, net of tax				$ 0.09
Net income	$ 0.27	$ 0.37	$ 0.53	$ 0.73
Weighted average shares outstanding				
Basic	24,642	26,287	24,980	26,133
Diluted	25,163	27,239	25,462	27,093

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

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

ASSETS	September 28, 2002	March 30, 2002
Current assets:		
Cash and short term investments	$ 43,615	$ 34,913
Available for sale investments		32,636
Accounts receivable, less allowance of $1,340 at September 28, 2002 and $1,298 at March 30, 2002	77,842	63,743
Inventories	71,755	67,244
Current investment in sales type leases, net	2,478	2,783
Deferred tax asset	22,093	18,943
Other prepaid and current assets	8,513	12,573
Total current assets	226,296	232,835
Property, plant and equipment	231,087	218,819
Less accumulated depreciation	148,161	133,942
Net property, plant and equipment	82,926	84,877
Other assets:		
Investment in sales type leases, net (long term)	3,274	3,234
Other intangibles, less accumulated amortization of $2,858 at September 28, 2002 and $1,977 at March 30, 2002	23,335	24,204
Goodwill, net	14,748	14,168
Deferred tax asset	1,897	2,275
Other long term assets	3,404	3,328
Total other assets	46,658	47,209
Total assets	$355,880	$364,921
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities of long term debt	$ 40,598	$ 31,356
Accounts payable	11,927	12,536
Accrued payroll and related costs	13,196	12,696
Accrued income taxes	15,618	11,355
Other accrued liabilities	19,347	16,155
Total current liabilities	100,686	84,098
Long term debt, net of current maturities	38,290	40,787
Other long term liabilities	3,508	3,212
Stockholders' equity:		
Common stock, $.01 par value; Authorized - 80,000,000 shares; Issued 31,613,561 shares at September 28, 2002; 31,453,511 shares at March 30, 2002	316	315
Additional paid-in capital	107,862	104,261
Retained earnings	278,147	264,592
Accumulated other comprehensive loss	(16,203)	(16,395)
Stockholders' equity before treasury stock	370,122	352,773
Less: treasury stock 7,222,661 shares at cost at September 28, 2002 and 5,812,943 shares at cost at March 30, 2002	156,726	115,949
Total stockholders' equity	213,396	236,824
Total liabilities and stockholders' equity	$355,880	$364,921

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
CONSOLIDATED STATEMENT OF STOCKHOLDERS' EQUITY
(unaudited data, in thousands)

	Common Stock Shares	Common Stock $'s	Additional Paid in Capital	Treasury Stock	Retained Earnings	Accumulated Other Comprehensive Loss	Total Stockholders' Equity	Comprehensive Income
Balance, March 30, 2002	31,454	$315	$104,261	$(115,949)	$264,592	$(16,395)	$236,824	
Employee stock purchase plan			105	256			361	
Exercise of stock options and related tax benefit	160	1	3,496				3,497	
Purchase of treasury stock				(41,033)			(41,033)	
Net income					13,555		13,555	$13,555
Foreign currency translation adjustment						4,787	4,787	4,787
Unrealized loss on derivatives						(4,595)	(4,595)	(4,595)
								$13,747
Balance, September 28, 2002	31,614	$316	$107,862	$(156,726)	$278,147	$(16,203)	$213,396	

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

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

	Six Months Ended	
	Sept. 28, 2002	Sept. 29, 2001
Cash Flows from Operating Activities:		
Net income	$ 13,555	$ 19,892
Adjustments to reconcile net income to net cash provided by operating activities:		
Non cash items:		
Depreciation and amortization	14,253	15,487
Deferred income taxes	(330)	76
Tax benefit related to the exercise of stock options	470	-
Gain from exchange activities	(794)	(1,697)
Change in operating assets and liabilities:		
Increase in accounts receivable - net	(10,213)	(6,721)
Increase in inventories	(8,888)	(10,658)
Decrease in sales type leases (current)	368	951
Decrease (increase) in prepaid income taxes	402	(291)
Decrease (increase) in other assets	101	(4,119)
Increase in accounts payable, accrued expenses and other current liabilities	3,133	4,160
Net cash provided by operating activities	12,057	17,080
Cash Flows from Investing Activities:		
Purchases of available for sale investments	(11,670)	(40,251)
Gross proceeds from sale of available for sale investments	44,306	27,489
Capital expenditures on property, plant and equipment, net of retirements and disposals	(3,172)	(11,948)
Net decrease in sales type leases (long term)	22	1,995
Net cash provided (used) by investing activities	29,486	(22,715)
Cash Flows from Financing Activities:		
Payments on long term real estate mortgage	(205)	(174)
Net increase in short term revolving credit agreements	7,207	10,889
Net (decrease) increase in long term credit agreements	(2,563)	216
Employee stock purchase plan purchases	361	250
Exercise of stock options	3,027	10,562
Purchase of treasury stock	(41,033)	-
Net cash (used) provided by financing activities	(33,206)	21,743
Effect of exchange rates on cash and cash equivalents	365	298
Net increase in cash and cash equivalents	8,702	16,406
Cash and cash equivalents at beginning of period	34,913	41,441
Cash and cash equivalents at end of period	$ 43,615	$ 57,847
Non cash investing and financing activities:		
Transfers from inventory to fixed assets for Haemonetics placement equipment	$ 6,843	$ 2,824
Supplemental disclosures of cash flow information:		
Interest paid	$ 1,620	$ 1,846
Income taxes paid	$ 1,270	$ 5,090

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

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS

1. BASIS OF PRESENTATION

The accompanying unaudited consolidated financial statements of Haemonetics Corporation and subsidiaries (the "Company") have been prepared in accordance with generally accepted accounting principles ("GAAP") for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of management, all adjustments (consisting of normal recurring accruals) considered necessary for a fair presentation have been included. All significant intercompany transactions have been eliminated. Operating results for the six-month period ended September 28, 2002 are not necessarily indicative of the results that may be expected for the full fiscal year ending March 29, 2003. For further information, refer to the audited consolidated financial statements and footnotes thereto included in the Company's annual report on Form 10-K for the fiscal year ended March 30, 2002.

Certain amounts in the prior year financial statements have been reclassified to conform to the fiscal year 2003 presentation.

The Company's fiscal year ends on the Saturday closest to the last day of March. Both fiscal year 2003 and 2002 include 52 weeks with the first and second quarters of each fiscal year including 13 weeks.

2. ACCOUNTING FOR SHIPPING AND HANDLING COSTS

In accordance with Emerging Issues Task Force No. 00-10, ("EITF 00-10",) "Accounting for Shipping and Handling Fees and Costs," amounts billed to the Company's customers in sale transactions for shipping and handling are recorded as revenue. All other shipping and handling costs are included in costs of goods sold with the exception of $1.1 million and $1.2 million for three months ended September 28, 2002 and September 29, 2001, respectively and $2.5 million and $2.2 million for the six months ending September 28, 2002 and September 29, 2001, respectively, that are included in selling, general and administrative expenses.

3. FOREIGN CURRENCY

The Company enters into forward exchange contracts to hedge the anticipated cash flows from forecasted foreign currency denominated revenues. The purpose of the Company's foreign hedging activities is to minimize, for a period of time, the unforeseen impact on the Company's results of operations of fluctuations in foreign exchange rates. The Company also enters into forward contracts that settle within 35 days to hedge certain inter-company receivables denominated in foreign currencies. These derivative financial instruments are not used for trading purposes. The cash flows related to the gains and losses on these foreign currency hedges are classified in the consolidated statements of cash flows as part of cash flows from operating activities.

At September 28, 2002, the Company had 28 forward contracts outstanding, all maturing in less than twelve months, to exchange Euro and Japanese yen primarily for U.S. dollars totaling $113.6 million. Of these contracts, six, totaling $31.7 million, represented contracts with zero fair value relating to inter-company receivables established at quarter end, that settle within 35 days after quarter end. The Company has designated the remainder of these contracts as cash flow hedges intended to lock in the expected cash flows of forecasted foreign currency denominated revenues at the available spot rate. The fair value of the forward contracts associated with changes in points on forward contracts is excluded from the Company's assessment of hedge effectiveness.

At September 28, 2002, the fair value of the forward contract liability was $2.8 million. For the six months ended September 28, 2002, a $4.6 million loss related to changes in the spot rates for the hedge contracts was recorded in accumulated other comprehensive loss, ($7.3 million loss less tax benefit of $2.7 million.) The change in the fair value attributable to points on forward contracts totaled approximately $0.7 million for the six months ended September 28, 2002. This $0.7 million of income was excluded from the assessment of hedge effectiveness and was recorded as part of other income, net for the six months ended September 28, 2002 in the Company's unaudited consolidated statement of income. For the six months ended September 29, 2001, income from points on forward contracts, included in other income, net was $1.9 million.

A summary of the accounting discussed above is as follows (in thousands):

(Income)/ Expense Cash Flow Hedges Debit (Credit)	Asset (Liability) Forward Contracts	Accumulated Comprehensive (Income) Loss, net of tax	Other Income, Net
Balance as of March 30, 2002	$ 3,983	$(2,287)	
Change in fair value for the six months ended September 28, 2002	(6,791)	4,595	(748)
Total	$(2,808)	$ 2,308	$(748)

4. COMPREHENSIVE INCOME

Comprehensive income is the total of net income and all other non-owner changes in stockholders' equity. For the Company, all other non-owner changes are primarily foreign currency translation and with the Company's adoption of SFAS No. 133, as amended, the changes in fair value of the effective portion of the Company's outstanding cash flow hedge contracts. For the three months ended September 28, 2002 and September 29, 2001, comprehensive income was $8.1 million and $7.3 million, respectively. For the six months ended September 28, 2002 and September 29, 2001, comprehensive income was $13.7 million and $21.0 million respectively. The increase in comprehensive income for the three months ended September 28, 2002 as compared to the three months ended September 29, 2001 was primarily due to favorable changes in the fair value of the outstanding cash flow hedge contracts offset by a decline in net income and the unfavorable effects of currency translation as the Japanese yen and Euro weakened in relation to the US dollar. For the six months ended September 28, 2002, comprehensive income decreased as compared to the six months ended September 29, 2001 due to a decrease in net income. Unfavorable changes in the fair value of the outstanding cash flow hedge contracts were offset by favorable effects from currency translation as the Japanese yen and Euro strengthened more in the current period than in the comparable period a year ago.

5. NEW PRONOUNCEMENTS

In May 2002, the Financial Accounting Standards Board ("FASB") issued Statement of Financial Accounting Standard No. 145 ("SFAS 145"), "Rescission of FASB Statements No. 4, 44, and 64, Amendment of FASB Statement No. 13, and Technical Corrections". Among other things, SFAS 145 rescinds Statement of Financial Accounting Standards No. 4 ("SFAS 4"), "Reporting Gains and Losses from Extinguishment of Debt" and eliminates the requirement that gains and losses from the extinguishment of debt be classified as an extraordinary item, net of related income tax effects, unless the criteria in Accounting Principles Board Opinion No. 30, "Reporting the Results of Operations - Reporting the Effects of Disposal of a Segment of a Business, and Extraordinary, Unusual and Infrequently Occurring Events and Transactions" are met. Adoption of this statement is generally required in fiscal years beginning after May 15, 2002. The Company does not expect the adoption of this statement to have a material impact on its consolidated financial statements.

In June 2002, the FASB issued Statement of Financial Accounting Standard No. 146 ("SFAS 146"), "Accounting for Costs Associated With Exit or Disposal Activities". SFAS 146 nullifies Emerging Issues Task Force Issue No. 94-3 ("EITF 94-3"), "Liability Recognition for Certain Employee Termination Benefits and Other Costs to Exit an Activity (Including Certain Costs Incurred in a Restructuring)". SFAS 146 requires that a liability for a cost associated with an exit or disposal activity be recognized when the liability is incurred. Therefore, SFAS 146 eliminates the definition and requirements for recognition of exit costs in EITF 94-3. The provisions of SFAS 146 are effective for exit or disposal activities that are initiated after December 31, 2002. The Company will adopt the provisions of SFAS 146 for all exit activities, if any, initiated after December 31, 2002.

6. ACQUIRED OTHER INTANGIBLE ASSETS

As of September 28, 2002

	Gross Carrying Amount (in thousands)	Accumulated Amortization (in thousands)	Weighted Average Useful Life (in years)
Amortized Intangibles			
Patents	$ 6,371	$ 882	14
Developed technology	7,992	1,007	17
Customer contracts and related relationships	11,360	969	15
Subtotal	$25,723	$2,858	15
Indefinite Life Intangibles			
Trade name	470		Indefinite
Total Intangibles	$26,193	$2,858	

As of March 30, 2002

	Gross Carrying Amount (in thousands)	Accumulated Amortization (in thousands)	Weighted Average Useful Life (in years)
Amortized Intangibles			
Patents	$ 6,370	$ 647	14
Developed technology	7,991	741	17
Customer contracts and related relationships	11,350	589	15
Subtotal	$25,711	$1,977	15
Indefinite Life Intangibles			
Trade name	470		Indefinite
Total Intangibles	$26,181	$1,977	

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - continued

The only change to the net carrying value of the Company's intangible assets from March 30, 2002 to September 28, 2002 was amortization expense and the effect of rate changes in the translation of the intangibles contained in the financial statement of the Company's Canadian subsidiary.

Aggregate amortization expense for amortized other intangible assets for the six months ended September 28, 2002 and for the twelve months ended March 30, 2002 is $0.9 million and $1.4 million, respectively. Additionally, the anticipated annual amortization expense on other intangible assets approximates $1.8 million for fiscal years 2003 through 2007 and $1.7 million for fiscal year 2008.

7. GOODWILL

During the six months ended September 28, 2002, no event or circumstance change occurred to impair the Company's goodwill or indefinite life assets. The change in the carrying value of goodwill during the six months ended September 28, 2002 is attributable solely to the effects of rate changes in the translation of the goodwill contained in the financial statements of foreign subsidiaries.

The changes in the carrying amount of the Company's goodwill during the six months ended September 28, 2002 are as follows (in thousands):

Carrying amount as of March 30, 2002	$14,168
Effect of change in rates used for translation	580
Carrying amount as of September 28, 2002	$14,748

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - continued

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:

	September 28, 2002	March 30, 2002
	(in thousands)	
Raw materials	$21,640	$16,808
Work in process	4,472	4,700
Finished goods	45,643	45,736
	$71,755	$67,244

9. NET INCOME PER SHARE

The following table provides a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations, as required by SFAS No. 128, "Earnings Per Share." Basic EPS is computed by dividing reported earnings available to stockholders by weighted average shares outstanding. Diluted EPS includes the effect of potential dilutive common shares.

	For the three months ended	
	September 28, 2002	September 29, 2001
Basic EPS		
Net income	$ 6,780	$ 9,948
Weighted average shares	24,642	26,287
Basic income per share	$ 0.28	$ 0.38
Diluted EPS		
Net income	$ 6,780	$ 9,948
Basic weighted average shares	24,642	26,287
Effect of stock options	521	952
Diluted weighted average shares	25,163	27,239
Diluted income per share	$ 0.27	$ 0.37

~~HAEMONETICS CORPORATION AND SUBSIDIARIES~~
~~NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - continued~~

	For the six months ended	
	~~September 28, 2002~~	~~September 29, 2001~~
~~Basic EPS~~		
~~Net income~~	~~$13,555~~	~~$19,892~~
~~Weighted average shares~~	~~24,980~~	~~26,133~~
~~Basic income per share~~	~~$ 0.54~~	~~$ 0.76~~
~~Diluted EPS~~		
~~Net income~~	~~$13,555~~	~~$19,892~~
~~Basic weighted average shares~~	~~24,980~~	~~26,133~~
~~Effect of stock options~~	~~482~~	~~960~~
~~Diluted weighted average shares~~	~~25,462~~	~~27,093~~
~~Diluted income per share~~	~~$ 0.53~~	~~$ 0.73~~

~~10. COMMITMENTS AND CONTINGENCIES~~

~~The Company is presently engaged in various legal actions, and although ultimate liability cannot be determined at the present time, the Company believes, based on consultation with counsel, that any such liability will not materially affect the consolidated financial position of the Company or its results of operations.~~

~~Through its acquisition of Fifth Dimension Information Systems, Inc. (Fifth Dimension), as well as its agreement with Baxter Healthcare Corporation (Baxter) related to pathogen inactivation technology, the Company is contingently obligated to make certain payments. The Fifth Dimension acquisition involves certain earn out payments of up to $4.1 million based upon Fifth Dimension reaching certain performance milestones prior to fiscal 2006. The Baxter agreement calls for the Company to make additional milestone payments of up to $14.5 million over the next several years as regulatory approvals are received in various markets.~~

~~11. SEGMENT INFORMATION~~

~~Segment Definition Criteria~~

~~The Company manages its business on the basis of one operating segment: the design, manufacture and marketing of automated blood processing systems. Haemonetics' chief operating decision maker uses consolidated results to make operating and strategic decisions. Manufacturing processes, as well as the regulatory environment in which the Company operates, are largely the same for all product lines.~~

HAEMONETICS CORPORATION AND SUBSIDIARIES
NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS - continued

Product and Service Segmentation

The Company's principal product offerings include blood bank, red cell, surgical and plasma collection products.

The blood bank products include machines, single use disposables and solutions that perform "apheresis," (the separation of whole blood into its components and subsequent collection of certain components, including platelets and plasma), as well as the washing of red blood cells for certain procedures. In addition, the blood bank product line includes solutions used in non apheresis applications. The main devices used for these blood component therapies are the MCS(R)+, mobile collection system and the ACP(TM) 215 automated cell processing system.

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

Surgical products include machines, and single use disposables that perform surgical blood salvage in orthopedic and cardiovascular surgical applications. Surgical blood salvage is a procedure whereby shed blood is collected, cleansed and made available to be transfused back to the patient. The devices used in the surgical area are the OrthoPAT(R) System, and a full line of Cell Saver(R) autologous blood recovery systems.

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

Three months ended (in thousands)

t	Blood Bank	Red Cells	Surgical	Plasma	Other	Total
September 28, 2002						
Revenues from external customers	$29,385	3,717	17,963	31,617	4,343	$ 87,025
September 29, 2001						
Revenues from external customers	$29,279	2,569	17,432	29,633	1,791	$ 80,704

Six months ended (in thousands)

	Blood Bank	Red Cells	Surgical	Plasma	Other	Total
September 28, 2002						
Revenues from external customers	$56,126	7,341	36,298	61,110	8,085	$168,960
September 29, 2001						
Revenues from external customers	$55,317	5,000	34,899	56,656	4,633	$156,505

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

RESULTS OF OPERATIONS

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

	Percentage of Net Revenue		Three Months Ended
	Three Months Ended		Percentage Increase/(Decrease) (in actual dollars)
	September 28, 2002	September 29, 2001	2002/2001
Net revenues	100.0%	100.0%	7.8%
Cost of goods sold	55.3	50.7	17.7
Gross Profit	44.7	49.3	(2.3)
Operating Expenses:			
Research and development	5.9	6.2	2.4
Selling, general and administrative	27.5	27.1	9.6
Total operating expenses	33.4	33.2	8.3
Operating income	11.3	16.1	(24.1)
Interest expense	(1.0)	(1.2)	(11.3)
Interest income	0.4	1.3	(68.3)
Other income, net	0.6	0.9	(30.5)
Income before provision for income taxes	11.3	17.1	(28.9)
Provision for income taxes	3.5	4.8	(21.3)
Net income	7.8%	12.3%	(31.8%)

			Percent Increase/(Decrease)	
By geography:	2002	2001	Actual dollars as reported	At constant currency
United States	$33,632	$29,897	12.5%	12.5%
International	53,393	50,807	5.1	6.2
Net revenues	$87,025	$80,704	7.8%	8.6%

By product type:	2002	2001	Percent Increase/(Decrease) Actual dollars as reported	At constant currency
Disposables	$75,299	$74,233	1.4%	2.5%
Misc. & service	4,343	1,791	142.5	143.3
Equipment	7,383	4,680	57.8	52.2
Net revenues	$87,025	$80,704	7.8%	8.6%

Disposable revenue By product line:	2002	2001	Percent Increase/(Decrease) Actual dollars as reported	At constant currency
Surgical	$16,623	$16,377	1.5%	1.1%
Blood bank	25,091	26,558	(5.5)	(3.5)
Red cells	3,441	2,569	34.0	31.9
Plasma	30,144	28,729	4.9	5.8
Disposable revenues	$75,299	$74,233	1.4%	2.5%

Three months ended September 28, 2002 (fiscal 2003) compared to three months ended September 29, 2001 (fiscal 2002)

Net Revenues

Net revenues in fiscal 2003 increased to $87.0 million from $80.7 million in fiscal 2002. With currency rates held constant, net revenues increased 8.6%. The increase in revenues was reduced by spot rate losses realized on forward contracts recorded in revenues as compared to gains realized for the same period in the prior year.

Disposable sales increased 1.4% year over year at actual rates and with currency rates held constant, disposable sales increased 2.5%. Year over year constant currency disposable sales growth was a result of growth in worldwide Surgical (up 1.1%), worldwide Red Cell (up 31.9%), and worldwide Plasma sales (up 5.8%) partly offset by a decline in worldwide Bloodbank (down 3.5%). The leveling off of the constant currency growth in worldwide Surgical disposable sales is mainly attributed to a modest increase in the Company's OrthoPAT(R) product worldwide and by increases in cardiovascular products in the U.S. and Europe. The slow down in the growth rate from the preceding quarter and the same quarter a year ago is due to a temporary leveling off of the growth in the OrthoPAT(R) business. The growth in worldwide Red Cell sales is attributed to volume increases in the U.S. as customers (new and current) react to the supply of red cells shrinking due to blood shortages and recently adopted donor deferral regulations mandated by the U.S. Food and Drug Administration. The growth in worldwide Plasma disposables sales is attributed to volume increases of products sold in Japan, Asia and Europe. In the U.S., while industry collection continued to grow, the Company's plasma disposable sales decreased 2.7% due to declining sales to one customer as a result of industry consolidation. Worldwide Bloodbank disposable sales decreased as compared to 2002 as a result of volume decreases in platelet disposable sales in Europe and in the U.S. reflecting the efficiency of automated technology in collecting multiple platelet units rather than a single unit from a single donor.

At actual rates, sales of disposable products, excluding service and other miscellaneous revenue, accounted for 86.5% and 92.0% of net revenues for fiscal 2003 and 2002, respectively.

~~Service revenue generated from equipment repairs performed under preventive maintenance contracts or emergency service billings and miscellaneous revenues, including revenue from the Company's software company, Fifth Dimension, acquired on January 1, 2002, accounted for 5.0% and 2.2% of the Company's net revenues, at actual rates, for fiscal year 2003 and 2002, respectively. The increase in constant currency revenue of $2.5 million reflects $1.1 million of software revenue from Fifth Dimension.~~

~~Equipment revenues increased 57.8% from $4.7 million in fiscal 2002 at actual rates and increased 52.2% year over year with currency rates held constant. The 52.2% constant currency increase is primarily attributable to sales in Japan and the new ACP 215 system in the U.S. Most of our equipment sales occur in markets outside the U.S., as in the U.S. the Company generally places equipment with a customer in exchange for an agreement to purchase disposables or to pay a rental fee. Due to the variable nature of equipment sales, the Company gives no assurance as to whether or not these significant increases will continue in the foreseeable future.~~

~~International sales as reported accounted for 61.4% and 63.0% of net revenues for fiscal 2003 and 2002, respectively. As in the U.S., sales outside the U.S. are susceptible to risks and uncertainties from regulatory changes, the Company's ability to forecast product demand and market acceptance of the Company's products, changes in economic conditions, the impact of competitive products and pricing and changes in health care policy.~~

~~Gross profit~~

~~Gross profit of $38.9 million for fiscal 2003 decreased $0.9 million from $39.8 million for fiscal 2002. As a percentage of sales, gross profit decreased 4.6% in fiscal 2003 to 44.7%. With currency rates held constant, gross profit increased by 3.9%, or $ 1.4 million, but decreased as a percentage of sales by 2.1%. The $1.4 million increase in constant currency gross profit from fiscal 2002 was a result of the additional contribution from the increase in constant currency revenues and cost reductions generated from the Company's Customer Oriented Redesign for Excellence ("CORE") Program partially offset by a manufacturing provision for quality enhancements to the Company's OrthoPAT(R) surgical blood salvage system. Equipment revenues, which have a lower gross profit contribution, were a significant component of the increase in constant currency revenue.~~

~~During the three months ended September 28, 2002, the CORE program generated $0.4 million of cost reductions, which benefited gross profit. These cost reductions relate to initiatives to lower product costs by automating and redesigning the way certain products are made and by negotiating reduced raw material prices from suppliers.~~

~~Expenses~~

~~The Company expended $5.1 million, 5.9% of net revenues, on research and development for fiscal 2003 and $5.0 million, 6.2% of net revenues, for fiscal 2002. At constant currency rates, research and development as a percentage of sales decreased 0.4% from fiscal 2002 to fiscal 2003 remaining relatively flat in dollars.~~

~~Selling, general and administrative expenses increased $2.1 million in fiscal 2003 to $24.0 million from $21.9 million in fiscal 2002. At constant currency rates, selling, general and administrative expenses increased $1.2 million or 5.5%, however, decreased as a percent of net revenues by 0.8% to 27.3% due to the Company's higher sales. Increased spending behind the Company's new product sales and related marketing activities contributed to the dollar increase in selling, general and administrative dollars.~~

~~Operating Income~~

~~Operating income for the first quarter of fiscal 2003 decreased $3.1 million from the first quarter of fiscal 2002 and decreased to 11.3% of sales in fiscal 2003 from 16.1% in fiscal 2002. At constant currency rates, operating income increased slightly by $0.2 million but decreased as a percentage of sales by 0.7%.~~

~~Other Income, Net~~

~~Interest expense for fiscal 2003 was relatively flat as compared to fiscal 2002. Nearly all of the Company's long term debt is at fixed rates. Interest income decreased $0.7 million from 2002 to 2003 due primarily to lower average balances of cash and investments and lower investment yields. Other income, net decreased $0.2 million from fiscal 2002 to fiscal 2003 due to decreases in income earned from points on forward contracts, which was partially offset by an increase in foreign exchange transaction gains. Points on forward contracts are amounts, either paid or earned, based on the interest rate differential between two foreign currencies in a forward hedge contract.~~

~~Taxes~~

~~The income tax provision as a percentage of pretax income was 31.0% for the second quarter of fiscal 2003 and 28.0% for the second quarter of fiscal 2002. The increase in the effective tax rate for the three months ended September 28, 2002, as compared to the three months ended September 29, 2001, reflects reduced export tax benefits among other factors.~~

~~For the full 2003 fiscal year, the Company anticipates its effective tax rate to approximate 27%. In the third quarter of fiscal 2003, the Company anticipates favorable resolution to certain tax contingencies that will reduce its effective tax rate significantly. In the fourth quarter of fiscal year 2003, the Company estimates the effective tax rate at 36.0%, which it anticipates will approximate the fiscal year 2004 effective rate.~~

Six Months Ended September 28, 2002 (fiscal 2003) Compared to Six Months Ended September 29, 2001(fiscal 2002)

	Percentage of Net Revenues Six Months Ended		Percentage Increase/(Decrease) Six Months Ended (in actual dollars)
	September 28, 2002	September 29, 2001	2002/2001
Net revenues	100.0%	100.0%	8.0%
Cost of goods sold	54.1	51.4	13.7
Gross Profit	45.9	48.6	1.9
Operating Expenses:			
Research and development	5.9	6.2	2.5
Selling, general and administrative	28.4	28.0	9.5
Total operating expenses	34.3	34.2	8.2
Operating income	11.6	14.4	(13.2)
Interest expense	(1.0)	(1.3)	(11.0)
Interest income	0.4	1.4	(63.9)
Other income, net	0.6	1.1	(37.0)
Income before provision for income taxes	11.6	15.6	(19.6)
Provision for income taxes	3.6	4.4	(11.0)
Income before cumulative effect of change in accounting	8.0	11.2	(22.9)
Cumulative effect of change in accounting principle, net of tax		1.5	(100.0)
Net income	8.0%	12.7%	(31.9)

			Percent Increase/(Decrease)	
By geography:	2002	2001	Actual dollars as reported	At constant currency
United States	$ 64,567	$ 58,785	9.8%	9.8%
International	104,393	97,720	6.8	9.8
Net revenues	$168,960	$156,505	8.0%	9.8%

			Percent Increase/(Decrease)	
By product type:	2002	2001	Actual dollars as reported	At constant currency
Disposables	$149,069	$144,945	2.8%	4.9%
Misc. & Service	8,086	4,633	74.5	75.0
Equipment	11,805	6,927	70.4	66.0
Net revenues	$168,960	$156,505	8.0%	9.8%

Disposable revenue by product line:	2002	2001	Percent Increase/(Decrease) Actual dollars as reported	At constant currency
Surgical	$ 33,886	$ 32,922	2.9%	3.4%
Blood bank	49,379	51,436	(4.0)	(0.4)
Red cells	6,949	4,972	39.8	38.2
Plasma	58,855	55,615	5.8	7.4
Disposable revenues	$149,069	$144,945	2.8%	4.9%

Six Months Ended September 28, 2002 (fiscal 2003) Compared to Six Months Ended September 29, 2001(fiscal 2002)

Net Revenues

Net revenues in fiscal 2003 increased 8.0% to $169.0 million from $156.5 million in fiscal 2002. With currency rates held constant, net revenues increased 9.8%. The increase in revenues was partially offset by spot rate losses realized on forward contracts recorded in revenues as compared to gains realized for the same period in the prior year.

Disposable sales increased 2.8% year over year at actual rates and with currency rates held constant, disposable sales increased 4.9%. Year over year constant currency disposable sales growth was a result of growth in worldwide Surgical (up 3.4%), worldwide Red Cell (up 38.2%), and worldwide Plasma (up 7.4%) partly offset by a decline in worldwide Bloodbank (down 0.4%). Constant currency growth in the worldwide Surgical disposable sales is mainly attributed to increases from the Company's OrthoPAT(R) product worldwide and increases in cardiovascular products in the U.S and Europe. The slow down in the growth rate from the preceding six months and the same period a year ago is due to a temporary leveling off of the growth in the OrthoPAT(R) business, which we anticipate will continue for the remainder of this fiscal year. The growth in worldwide Red Cell sales is attributed to volume increases in the U.S. as customers react to the supply of red cells shrinking due to blood shortages and recently adopted donor deferral regulations mandated by the U.S. Food and Drug Administration. The growth in worldwide Plasma disposables sales is attributed to volume increases of products sold in Japan, Asia and Europe. In the U.S., while industry collection continued to grow, the Company's plasma disposable sales decreased 3.6% due to declining sales to one customer as a result of industry consolidation. Worldwide Bloodbank disposable sales decreased as compared to 2002 as a result of volume decreases in platelet disposable sales in Europe and in the U.S. reflecting the efficiency of automated technology in collecting multiple platelet units rather than a single unit from a single donor.

At actual rates, sales of disposable products, excluding service and other miscellaneous revenue, accounted for 87.7% and 92.3% of net revenues for fiscal 2003 and 2002, respectively. Constant currency sales of disposable products, excluding service and other miscellaneous revenue, accounted for 87.6% and 92.1% of net revenues for fiscal 2003 and 2002, respectively.

Service revenue generated from equipment repairs performed under preventive maintenance contracts or emergency service billings and miscellaneous revenues, including software revenue from the Company's software company, Fifth Dimension, which was acquired on January 1, 2002, accounted for 4.8% and 3.0% of the Company's net revenues, at actual rates, for fiscal year 2003 and 2002, respectively. The increase in constant currency revenue of $3.4 million reflects $2.2 million of software revenue from Fifth Dimension.

~~Equipment revenues increased 70.4% from $6.9 million in fiscal 2002 at actual rates and increased 66.0 % year over year with currency rates held constant. The 66.0% constant currency increase is primarily attributable to sales of Superlite(TM) plasma machines in Japan and the new ACP 215 system in the U.S. Most of our equipment sales occur in markets outside the U.S., as in the U.S. the Company generally places equipment with a customer, in exchange for an agreement to purchase disposables or to pay a rental fee. Due to the variable nature of equipment sales, the Company gives no assurance as to whether or not these significant increases will continue in the foreseeable future.~~

~~At actual rates, international sales as reported accounted for 61.8% and 62.4% of net revenues for fiscal 2003 and 2002, respectively. As in the U.S., sales outside the U.S. are susceptible to risks and uncertainties from regulatory changes, the Company's ability to forecast product demand and market acceptance of the Company's products, changes in economic conditions, the impact of competitive products and pricing and changes in health care policy.~~

~~Gross profit~~

~~Gross profit of $ 77.5 million for fiscal 2003 increased $1.4 million from $76.1 million for fiscal 2002. As a percentage of sales, gross profit decreased 2.7% in fiscal 2003 to 45.9%. With currency rates held constant, gross profit increased by 9.7%, or $6.7 million, but decreased 0.1 as a percentage of sales. The $6.7 million increase in constant currency gross profit from fiscal 2002 was a result of the additional contribution from the increase in constant currency revenues and cost reductions generated by the CORE program, partially offset by a manufacturing provision for quality enhancements to the Company's OrthoPAT(R) surgical blood salvage system. Equipment revenues, which have a lower gross profit contribution, were a significant component of the increase in constant currency revenues.~~

~~For the six months ending September 28, 2002, the CORE program generated $1.4 million of cost savings benefiting the Company's gross profit from initiatives to lower product costs by automating and redesigning the way certain products are made and by negotiating reduced raw material prices from suppliers.~~

~~Expenses~~

~~The Company expended $10.0 million, 5.9% of net revenues, on research and development for fiscal 2003 and $9.8 million, 6.2% of net revenues, for fiscal 2002. At constant currency rates, research and development as a percentage of sales decreased 0.5% from fiscal 2002 to fiscal 2003 remaining relatively flat in dollars.~~

~~Selling, general and administrative expenses increased $4.2 million in fiscal 2003 to $48.0 million from $43.8 million in fiscal 2002. At constant currency rates, selling, general and administrative expenses increased $3.3 million, however, decreased as a percent of net revenues by 0.6% to 28.4% due to the Company's higher sales. Increased spending behind the Company's new product sales and related marketing activities contributed to the dollar increase in selling, general and administrative dollars.~~

~~Operating Income~~

~~Operating income as a percentage of net revenues decreased to 11.6% from 14.4% in fiscal 2002. At constant currency rates, operating income increased by $3.3 million and increased as a percentage of sales by 1.1%.~~

~~Foreign Exchange~~

~~The Company generates approximately 62% of its revenues outside the U.S. in foreign currencies. As such, the Company uses a combination of business and financial tools comprising various natural hedges (offsetting exposures from local production costs and operating expenses) and forward contracts to hedge its balance sheet and P&L exposures. Hedging through the use of forward contracts does not eliminate the volatility of foreign exchange rates, but because the Company generally enters into forward contracts one year out, rates are fixed for a one year period, thereby facilitating financial planning and resource allocation.~~

The Company computes a composite rate index for purposes of measuring, comparatively, the change in foreign currency hedge spot rates from the hedge spot rates of the corresponding period in the prior year. The relative value of currencies in the index corresponds to the value of sales in those currencies. The composite was set at 1.00 based upon the weighted rates at March 31, 1997.

For the first and second quarters of fiscal 2003, the indexed hedge spot rates depreciated 8.9% and 10.3%, respectively and for the first and second quarters of fiscal 2004, the indexed hedge spot rates depreciated 3.6% and appreciated 3.6%, respectively over the corresponding quarters of the preceding years. These indexed hedge rates represent the change in spot value (value on the day the hedge contract is undertaken) of the Haemonetics specific hedge rate index. These indexed hedge rates impact sales in the Company's financial statements. The final impact of currency fluctuations on the results of operations is dependent on the local currency amounts hedged and the actual local currency results.

		Composite Index Hedge Spot Rates	Favorable/(Unfavorable) Change vs Prior Year
FY2001	Q1	1.04	5.4%
	Q2	1.00	8.2%
	Q3	0.92	12.9%
	Q4	0.97	10.2%
2001 Total		0.98	9.1%
FY2002	Q1	0.99	5.2%
	Q2	0.97	3.3%
	Q3	1.01	(8.6%)
	Q4	1.05	(7.5%)
2002 Total		1.00	(2.0%)
FY2003	Q1	1.09	(8.9%)
	Q2	1.08	(10.3%)
	Q3	1.10	(8.1%)
	Q4	1.17	(11.0%)
2003 Total		1.11	(9.5%)
FY2004	Q1	1.13	(3.6%)
	Q2	1.05	3.6%
	Q3	1.06	3.2%
2004 Total		1.08	2.9%

Other Income, Net

Interest expense for fiscal 2003 was relatively flat as compared to fiscal 2002. Nearly all of the Company's long term debt is at fixed rates. Interest income decreased $1.4 million from 2002 to 2003, due primarily to lower average balances of cash available to invest and lower investment yields. Other income, net decreased $0.6 million from fiscal 2002 to fiscal 2003 due to decreases in income earned from points on forward contracts, which was partially offset by an increase in foreign exchange transaction gains. Points on forward contracts are amounts, either paid or earned, based on the interest rate differential between two foreign currencies in a forward hedge contract.

Taxes

The income tax provision as a percentage of pretax income was 31.0% for the six months ending September 28, 2002 and 28.0% for the six months ending September 29, 2001. The increase in the effective tax rate is primarily attributable to reduced export tax benefits among other factors.

For the full 2003 fiscal year, the Company anticipates its effective tax rate to be approximately 27%. In the third quarter of fiscal 2003, the Company anticipates favorable resolution to certain tax contingencies that will reduce its effective tax rate significantly. In the fourth quarter of fiscal year 2003, the Company estimates the effective tax rate at 36.0%, which it anticipates will approximate the fiscal year 2004 effective rate.

Cumulative Effect of Accounting Change, Net of Tax

In accordance with Statement of Financial Accounting Standards No. 137, "Accounting for Derivative Instruments and Hedging Activities - Deferral of the Effective Date of FASB Statement No. 133," the Company adopted SFAS No. 133, "Accounting for Derivative Instruments and Hedging Activities" and SFAS No. 138 "Accounting for Certain Derivative Instruments and Hedging Activities, an Amendment of FASB Statement No. 133," (collectively, SFAS No. 133, as amended) effective, April 1, 2001, the beginning of the Company's 2002 fiscal year. As required, these standards were adopted as a change in accounting principle and accordingly, the effect at adoption of $3.2 million was shown net of taxes of $0.9 million as a cumulative effect of a change in accounting principle on the face of the consolidated statements of operations in the three months ended June 30, 2001.

Liquidity and Capital Resources

The Company's primary sources of capital include cash and short term investments, internally generated cash flows and bank borrowings. The Company believes these sources to be sufficient to fund its requirements, which are primarily capital expenditures, acquisitions, new business development, share repurchase and working capital.

During the six months ending September 28, 2002, the Company funded its activities primarily with $12.1 million of cash flows generated by operations, $44.3 million of gross proceeds from the sale of available-for-sale securities and $3.0 million in stock option proceeds.

Working capital for the six months ended September 28, 2002, was $125.6 million. This reflects a decrease of $44.6 million in working capital from the same period in the prior year largely due to decreases in available for sale investments and increases in short term borrowings, offset by increases in inventories and accounts receivable.

The acquisition of Fifth Dimension, which occurred on January 1, 2002, involves potential earn out payments of up to $4.1 million based on the acquired Company reaching certain performance milestones prior to fiscal 2008. These payments, if earned, will be allocated to goodwill.

The acquisition of the right to integrate a new pathogen inactivation technology into the Company's platelet collection devices includes certain incremental milestone payments based on the achievement of regulatory approvals in the US, Europe and elsewhere. The total amount of these milestone payments is $14.5 million and is anticipated to become due and payable over the next one to five years.

The Company anticipates spending $3.7 million on the manufacture of OrthoPAT(R) machines over the next twenty four months under an existing purchase order with Nova Biomedical.

~~The increase of $8.7 million in cash and short term investments during the six months ending September 28, 2002 from operating, investing and financing activities before the effect of exchange rates represents a decrease in cash flow of $7.8 million compared to the $16.1 million in cash generated during the six months ending September 29, 2001. The $7.8 million decrease was primarily a result of the Company's purchase of treasury stock offset by more cash generated from the net proceeds of available for sale investments.~~

~~Operating Activities:~~

~~The Company generated $12.1 million in cash from operating activities during the six months ending September 28, 2002 as compared to $17.1 million generated during the six months ending September 29, 2001. The $5.0 million decrease in operating cash flow from fiscal 2003 to fiscal 2002 was a result of a $6.6 million decrease in net income adjusted for depreciation, amortization and other non cash items, $3.5 million more cash utilized by accounts receivable as days sales outstanding increased, offset by a $4.2 million decrease in other assets due to decreased investment. The increase to the Company's days sales outstanding year over year was due largely to the timing of payments and not due to collectibility issues.~~

~~The Company measures its performance using an operating cash flow metric defined as net income adjusted for depreciation, amortization and other non cash items; capital expenditures for property, plant and equipment together with the investment in Haemonetics equipment at customer sites, including sales type leases; and the change in operating working capital, including change in accounts receivable, inventory, accounts payable and accrued expenses, excluding tax accounts and the effects of currency translation. This alternative measure of operating cash flows is a non-GAAP measure that may not be comparable to similarly titled measures reported by other companies. It is intended to assist readers of the report who employ "free cash flow" and similar measures that do not include tax assets and liabilities, equity investments and other sources and uses that are outside the day to day activities of a company.~~

~~As measured by the Company's operating cash flow metric, the Company generated $5.2 million and $13.3 million of operating cash during the six months ending September 28, 2002, and September 29, 2001, respectively. The $5.2 million of operating cash flow for the six months ending September 28, 2002, resulted from $13.6 million of net income adjusted for non cash items and $11.5 million from the reduction of the Company's net investment in property, plant and equipment and sales type leases. Offsetting these was $19.8 million from increased working capital investment, primarily an increase in accounts receivable of $10.2 million, a $8.9 million increase in inventory and a decrease in accounts payable and accrued expenses of $0.7million. The $13.3 million of operating cash flow generated for six months ending September 29, 2001, resulted from $19.5 million of net income adjusted for non cash items and $8.0 million from the reduction of the Company's net investment in property, plant and equipment and sales type leases offset by $14.2 million from increased working capital investment, primarily due to higher inventories, higher accounts receivable and lower accrued payables and payroll. The working capital and capital investment components of the Company's operating cash flow metric have been adjusted by non cash transfers (transfers from inventory to property, plant and equipment), which amounted to approximately $6.8 million and $2.8 million for the six months ending September 28, 2002, and September 29, 2001, respectively.~~

~~Investing Activities:~~

~~Net cash provided by investing activities totaled $29.4 million for the six months ending September 28, 2002, as compared to net cash utilized of $22.7 million during the six months ending September 29, 2001. This change of $52.2 million was primarily due to the Company's liquidation of the Company's available for sale investments and reduction in capital expenditures in fiscal 2003 as compared to fiscal 2002. The Company sold its available for sale investments due to changes in the interest rate environment.~~

~~Financing Activities:~~

~~Net cash used for financing activities totaled $33.2 million for the six months ending September 28, 2002 as compared to net cash provided of $21.7 million for the six months ending September 29, 2001. The $54.9 million decrease in cash from financing activities was a result of an additional $41.0 million spent in the six months ending~~

~~September 28, 2002 to repurchase Company stock, $6.4 million from changes in debt and $7.5 million from fewer stock option exercises in fiscal 2003 than in fiscal 2002. The $6.4 million change in debt from 2002 was a result of significant changes in foreign exchange rates in fiscal 2003 and 2002 and increases in Japan debt.~~

~~As authorized by the Board of Directors (the "Board"), the Company repurchases its stock to optimize its capital structure depending upon certain factors such as its cash flow and debt compliance considerations. During the first quarter of fiscal 2003, the Company used $26.0 million to repurchase 868,200 shares of common stock at an average price of $29.98. This completed the 1,764,000 repurchase authorization approved by the Board in February 2002. In July, the Board authorized a share repurchase program for up to an additional $50 million. During the second quarter of fiscal 2003, the Company repurchased 554,350 shares at an average price of $27.02 using $15.0 million of cash, including 100,050 shares repurchased under a 10B5-1 Plan adopted by the Company. The Company expects any repurchased shares to be made available for issuance pursuant to its employee benefit and incentive plans and for other corporate purposes.~~

~~Inflation~~

~~The Company does not believe that inflation has had a significant impact on the Company's results of operations for the periods presented. Historically, the Company believes it has been able to minimize the effects of inflation by improving its manufacturing and purchasing efficiency, by increasing employee productivity and by reflecting the effects of inflation in the selling prices of new products it introduces each year.~~

~~Disclosure of Additional Non-audit Services~~

~~At its October 22, 2002 meeting, the Company's audit committee approved the engagement of the Company's audit firm, Ernst and Young LLP, to perform tax related services during the third quarter of the current fiscal year. These fees are estimated at approximately $165,000.~~

~~Cautionary Statement Regarding Forward-Looking Information~~

~~Statements contained in this report, as well as oral statements made by the Company that are prefaced with the words "may," "will," "expect," "anticipate," "continue," "estimate," "project," "intend," "designed" and similar expressions, are intended to identify forward-looking statements regarding events, conditions and financial trends that may affect the Company's future plans of operations, business strategy, results of operations and financial position. These statements are based on the Company's current expectations and estimates as to prospective events and circumstances about which the Company can give no firm assurance. Further, any forward-looking statement speaks only as of the date on which such statement is made, and the Company undertakes no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made. As it is not possible to predict every new factor that may emerge, forward-looking statements should not be relied upon as a prediction of actual future financial condition or results. These forward-looking statements, like any forward-looking statements, involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include technological advances in the medical field and the Company's ability to successfully implement products that incorporate such advances, product demand and market acceptance of the Company's products, regulatory uncertainties, the effect of economic and political conditions, the impact of competitive products and pricing, foreign currency exchange rates, changes in customers' ordering patterns and the effect of uncertainties in markets outside the U.S. (including Europe and Asia) in which the Company operates. 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

Approximately 62% of the Company's revenues are generated outside the U.S., yet the Company's reporting currency is the U.S. dollar. Foreign exchange risk arises because the Company engages in business in foreign countries in local currency. Exposure is partially mitigated by producing and sourcing product in local currency. Accordingly, whenever the U.S. dollar strengthens relative to the other major currencies, there is an adverse affect on the Company's results of operations and alternatively, whenever the U.S. dollar weakens relative to the other major currencies there is a positive effect on the Company's results of operations.

It is the Company's policy to minimize for a period of time, the unforeseen impact on its results of operations of fluctuations in foreign exchange rates by using derivative financial instruments known as forward contracts to hedge the anticipated cash flows from forecasted foreign currency denominated revenues. The Company enters into forward contracts that mature one month prior to the anticipated timing of the forecasted foreign currency denominated revenues. These contracts are designated as cash flow hedges intended to lock in the expected cash flows of forecasted foreign currency denominated revenues at the available spot rate. Actual spot rate gains and losses on these contracts are recorded in revenues, at the same time the offsetting gains and losses on the underlying transactions being hedged are recorded. The fair value of these contracts associated with the change in forward points is recorded in other income. The Company also enters into forward contracts that settle within 35 days to hedge certain intercompany receivables denominated in foreign currencies. These derivative financial instruments are not used for trading purposes. The Company's primary foreign currency exposures in relation to the U.S. dollar are the Japanese Yen and the Euro.

At September 28, 2002, the Company had the following significant foreign exchange contracts to hedge the anticipated cash flows from forecasted foreign currency denominated revenues outstanding:

Hedged Currency	(BUY) / SELL Local Currency	Weighted Spot Contract Rate	Weighted Forward Contract Rate	Fair Value	Maturity
Euro	8,250,000	$0.879	$0.871	(856,850)	Oct-Dec 2002
Euro	8,450,000	$0.880	$0.870	(845,879)	Jan-Mar 2003
Euro	8,450,000	$0.924	$0.913	(456,475)	Apr-Jun 2003
Euro	5,600,000	$0.978	$0.963	(18,564)	Jul-Aug 2003
Japanese Yen	1,825,000,000	125.6 per US$	123.0 per US$	(40,597)	Oct-Dec 2002
Japanese Yen	1,850,000,000	131.8 per US$	128.8 per US$	(771,851)	Jan-Mar 2003
Japanese Yen	1,800,000,000	125.5 per US$	122.7 per US$	(119,499)	Apr-Jun 2003
Japanese Yen	1,225,000,000	119.9 per US$	117.5 per US$	301,454	Jul-Aug 2003
			Total:	(2,808,261)	

The Company estimated the change in the fair value of all forward contracts assuming both a 10% strengthening and weakening of the U.S. dollar relative to all other major currencies. In the event of a 10% strengthening of the U.S. dollar, the change in fair value of all forward contracts would result in a $10.1 million increase in the fair value of the forward contracts; whereas a 10% weakening of the U.S. dollar would result in a $11.5 million decrease in the fair value of the forward contracts.

Interest Rate Risk

Substantially all of the Company's long term debt is at fixed rates. Accordingly, a change in interest rates has an insignificant effect on the Company's interest expense amounts. The fair value of the Company's long-term debt, however, would change in response to interest rates movements due to its fixed rate nature. At September 28, 2002, the fair value of the Company's long term debt was approximately $4.1 million higher than the value of the debt reflected on the Company's financial statements. This higher fair market is entirely related to the Company's $28.6 million, 7.05% fixed rate senior notes and the $9.0 million, 8.41% fixed rate mortgage.

Using scenario analysis, the Company changed the interest rate on all long term maturities by 10% from the rate levels that existed at September 28, 2002. The effect was a change in the fair value of the Company's long-term debt, of approximately $ 0.6 million.

ITEM 4. CONTROLS AND PROCEDURES

Within the ninety day period prior to the date of this report, the Company conducted an evaluation under the supervision and with the participation of the Company's management, including the Company's Chief Executive Officer and Chief Financial Officer (its principal executive officer and principal financial officer, respectively) regarding the effectiveness of the design and operation of the Company's disclosure controls and procedures as defined in Rule 13a 14 of the Securities Exchange Act of 1934 (the "Exchange Act"). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that the Company's disclosure controls and procedures are effective to ensure that material information relating to the Company, including its consolidated subsidiaries, is made known to them by others within those entities.

There were no significant changes in the Company's internal controls or in other factors that could significantly affect internal controls subsequent to the date the Company carried out its evaluation.

PART II - OTHER INFORMATION

Item 1. Legal Proceedings

Not applicable.

Item 2. Changes in Securities

Not applicable.

Item 3. Defaults upon Senior Securities

Not applicable.

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

On July 23, 2002, the Company held its annual meeting of stockholders. At the meeting, James L. Peterson and Benjamin L. Holmes were re-elected as Directors for terms ending in 2005. The voting results were as follows:

James L. Peterson	For 22,666,705	Withheld 63,939
Benjamin L. Holmes	For 22,618,318	Withheld 112,326

The other members of the Board of Directors whose terms continued after the meeting were:

Serving a Term Ending in 2003 - Sir Stuart Burgess; Ronald G. Gelbman and N. Colin Lind

Serving a Term Ending in 2004 -- Yutaka Sakurada, Donna C.E. Williamson, Harvey G. Klein, M.D.

Item 5. Other Information

None

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

(a) Exhibits

99.1 Certification Pursuant to 18 United States Code Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of James L. Peterson, President and Chief Executive Officer of the Company

99.2 Certification Pursuant to 18 United States Code Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Ronald J. Ryan, Senior Vice President and Chief Financial Officer of the Company

(b) Reports on Form 8-K

None.

SIGNATURES

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

HAEMONETICS CORPORATION

Date: November 7, 2002 By: /s/James L. Peterson

James L. Peterson, President and Chief Executive Officer

Date: November 7, 2002 By: /s/Ronald J. Ryan

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

CERTIFICATION

I, James L. Peterson, President and Chief Executive Officer of Haemonetics Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Haemonetics Corporation;

2. Based on my knowledge, this quarterly 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 quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, 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 in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 7, 2002

/s/James L. Peterson

James L. Peterson, President and
Chief Executive Officer(Principal
Executive Officer)

CERTIFICATION

I, Ronald J. Ryan, Senior Vice President and Chief Financial Officer of Haemonetics Corporation, certify that:

1. I have reviewed this quarterly report on Form 10-Q of Haemonetics Corporation;

2. Based on my knowledge, this quarterly 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 quarterly 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 quarterly report;

4. The registrant's other certifying officers and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-14 and 15d-14) for the registrant and have:

a) designed such disclosure controls and procedures 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 quarterly report is being prepared;

b) evaluated the effectiveness of the registrant's disclosure controls and procedures as of a date within 90 days prior to the filing date of this quarterly report (the "Evaluation Date"); and

c) presented in this quarterly report our conclusions about the effectiveness of the disclosure controls and procedures based on our evaluation as of the Evaluation Date;

5. The registrant's other certifying officers and I have disclosed, based on our most recent evaluation, 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 in the design or operation of internal controls which could adversely affect the registrant's ability to record, process, summarize and report financial data and have identified for the registrant's auditors any material weaknesses in internal controls; and

b) any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal controls; and

6. The registrant's other certifying officers and I have indicated in this quarterly report whether there were significant changes in internal controls or in other factors that could significantly affect internal controls subsequent to the date of our most recent evaluation, including any corrective actions with regard to significant deficiencies and material weaknesses.

Date: November 7, 2002

/s/Ronald J. Ryan

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

EXHIBIT 99.1

Certification Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes/Oxley Act of 2002

In connection with the Quarterly Report of Haemonetics Corporation (the "Company") on Form 10-Q for the period ended September 30, 2002 as filed with the Securities and Exchange Commission (the "Report"), I, James L. Peterson, 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: November 7, 2002

/s/James L. Peterson

James L. Peterson
President and Chief Executive Officer

EXHIBIT 99.2

Certification Pursuant To
18 U.S.C. Section 1350,
As Adopted Pursuant To
Section 906 of the Sarbanes/Oxley Act of 2002

In connection with the Quarterly Report of Haemonetics Corporation (the "Company") on Form 10-Q for the period ended September 30, 2002 as filed with the Securities and Exchange Commission (the "Report"), I, Ronald J. Ryan, Senior Vice President and Chief Financial Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: November 7, 2002

/s/Ronald J. Ryan

Ronald J. Ryan
Senior Vice President and
Chief Financial Officer