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

FORM 10-Q

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

For the quarter ended: June 29, 2013

Commission File Number: 001-14041

HAEMONETICS CORPORATION

(Exact name of registrant as specified in its charter)

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

400 Wood Road, Braintree, MA 02184

(Address of principal executive offices)

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

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

Yes ☑ No o

Indicate by check mark whether the registrant has submitted electronically and posted on its corporate Web site, if any, every Interactive Data File required to be submitted and posted pursuant to Rule 405 of Regulation S-T (§232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit and post such files).

Yes ☑ No o

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

Large accelerated filer ☑ Accelerated filer o Non-accelerated filer o Smaller reporting company o

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

Yes o No ☑

The number of shares of $0.01 par value common stock outstanding as of June 29, 2013:

51,396,952

HAEMONETICS CORPORATION
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ITEM 1. FINANCIAL STATEMENTS

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

	Three Months Ended	
	June 29, 2013	June 30, 2012
Net revenues	$ 219,543	$ 176,475
Cost of goods sold	108,131	86,362
Gross profit	111,412	90,113
Operating expenses:		
Research and development	11,209	9,409
Selling, general and administrative	106,811	67,625
Total operating expenses	118,020	77,034
Operating (loss)/income	(6,608)	13,079
Other (expense)/income, net	(2,641)	336
(Loss)/Income before provision for income taxes	(9,249)	13,415
Income tax (benefit)/expense	(1,375)	3,628
Net (loss)/income	$ (7,874)	$ 9,787
Net (loss)/income per share - basic	$ (0.15)	$ 0.19
Net (loss)/income per share - diluted	$ (0.15)	$ 0.19
Weighted average shares outstanding		
Basic	51,231	50,966
Diluted	51,231	51,864
Comprehensive (loss)/income	$ (8,134)	$ 5,918

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

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

	June 29, 2013	March 30, 2013
	(Unaudited)	
ASSETS		
Current assets:		
Cash and cash equivalents	$ 166,328	$ 179,120
Accounts receivable, less allowance of $1,803 at June 29, 2013 and $1,727 at March 30, 2013	155,958	170,111
Inventories, net	196,673	183,784
Deferred tax asset, net	14,341	13,782
Prepaid expenses and other current assets	58,072	50,213
Total current assets	591,372	597,010
Property, plant and equipment:		
Total property, plant and equipment	641,476	632,720
Less: accumulated depreciation	(386,500)	(375,767)
Net property, plant and equipment	254,976	256,953
Other assets:		
Intangible assets, less amortization of $79,306 at June 29, 2013 and $72,393 at March 30, 2013	279,098	264,388
Goodwill	341,509	330,474
Deferred tax asset, long term	1,751	1,751
Other long-term assets	10,924	11,341
Total other assets	633,282	607,954
Total assets	$ 1,479,630	$ 1,461,917
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Notes payable and current maturities of long-term debt	$ 32,434	$ 23,150
Accounts payable	47,915	49,893
Accrued payroll and related costs	41,523	45,697
Accrued income taxes	5,322	4,053
Other liabilities	60,601	57,351
Total current liabilities	187,795	180,144
Long-term debt, net of current maturities	448,119	456,944
Long-term deferred tax liability	29,961	29,552
Other long-term liabilities	39,377	26,095
Stockholders' equity:		
Common stock, $0.01 par value; Authorized — 150,000,000 shares; Issued and outstanding —51,396,952 shares at June 29, 2013 and 51,031,563 shares at March 30, 2013	514	510
Additional paid-in capital	378,366	365,040
Retained earnings	390,324	398,199
Accumulated other comprehensive income	5,174	5,433
Total stockholders' equity	774,378	769,182
Total liabilities and stockholders' equity	$ 1,479,630	$ 1,461,917

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

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

	Three Months Ended	
	June 29, 2013	June 30, 2012
Cash Flows from Operating Activities:		
Net (loss)/income	$ (7,874)	$ 9,787
Adjustments to reconcile net (loss)/income to net cash provided by operating activities:		
Non cash items:		
Depreciation and amortization	18,357	11,180
Amortization of financing costs	427	—
Stock compensation expense	3,013	2,417
Loss on sale of property, plant and equipment	154	110
Unrealized (gain)/loss from hedging activities	2,776	568
Interest expense on contingent consideration	121	—
Asset write-down	327	—
Change in operating assets and liabilities:		
Decrease in accounts receivable, net	14,100	8,020
Increase in inventories	(12,845)	(17,040)
Increase in prepaid income taxes	(4,727)	(455)
Decrease (increase) in other assets and other long-term liabilities	6,110	(5,479)
Tax benefit of exercise of stock options	840	1,050
Decrease in accounts payable and accrued expenses	(7,377)	(9,605)
Net cash provided by operating activities	13,402	553
Cash Flows from Investing Activities:		
Capital expenditures on property, plant and equipment	(13,092)	(8,441)
Proceeds from sale of property, plant and equipment	569	252
Acquisition of Hemerus	(23,124)	(1,000)
Net cash used in investing activities	(35,647)	(9,189)
Cash Flows from Financing Activities:		
Payments on long-term real estate mortgage	(233)	(217)
Net increase (decrease) in short-term loans	262	(18)
Proceeds from employee stock purchase plan	2,666	2,105
Proceeds from exercise of stock options	5,849	13,246
Excess tax benefit on exercise of stock options	960	1,111
Net cash provided by financing activities	9,504	16,227
Effect of exchange rates on cash and cash equivalents	(51)	(405)
Net (Decrease)/Increase in Cash and Cash Equivalents	(12,792)	7,186
Cash and Cash Equivalents at Beginning of Year	179,120	228,861
Cash and Cash Equivalents at End of Period	$ 166,328	$ 236,047
Non-cash Investing and Financing Activities:		
Transfers from inventory to fixed assets for placements of Haemonetics equipment	$ 3,357	$ 7,236
Supplemental Disclosures of Cash Flow Information:		
Interest paid	$ 2,401	$ 84
Income taxes paid	$ 906	$ 3,194

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

Our accompanying unaudited consolidated financial statements have been prepared in accordance with generally accepted accounting principles ("GAAP") in the United States for interim financial information and with the instructions to Form 10-Q and Article 10 of Regulation S-X. Accordingly, they do not include all of the information and footnotes required by GAAP for complete financial statements. In the opinion of our management, all adjustments (consisting of normal recurring adjustments) considered necessary for a fair presentation have been included. All significant intercompany transactions have been eliminated. Operating results for the three months ended June 29, 2013 are not necessarily indicative of the results that may be expected for the full fiscal year ending March 29, 2014, or any other interim period. These unaudited consolidated financial statements should be read in conjunction with our audited consolidated financial statements and footnotes included in our annual report on Form 10-K for the fiscal year ended March 30, 2013.

We consider events or transactions that occur after the balance sheet date but prior to the issuance of the financial statements to provide additional evidence relative to certain estimates or to identify matters that require additional disclosure. Subsequent events have been evaluated and we have not identified any significant or recognized subsequent events.

Our fiscal year ends on the Saturday closest to the last day of March. Fiscal years 2014 and 2013 include 52 weeks with each quarter having 13 weeks.

2. RECENT ACCOUNTING PRONOUNCEMENTS

New pronouncements issued but not effective until after June 29, 2013 are not expected to have a material impact on financial position, results of operation or liquidity.

Standards Implemented

In February 2013, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") No. 2013-02, *Comprehensive Income: Reporting of Amounts Reclassified Out of Accumulated Other Comprehensive Income* ("ASU 2013-02"). ASU 2013-02 requires an entity to provide information about amounts reclassified out of accumulated other comprehensive income by component. In addition, an entity is required to present, either on the face of the financial statements or in a single note, any significant amount reclassified out of accumulated other comprehensive income in its entirety in the period, and the income statement line item affected by the reclassification. For other amounts that are not required under U.S. GAAP to be reclassified in their entirety to net income, an entity is required to cross-reference to other disclosures required under U.S. GAAP that provide additional detail about those amounts. We adopted this guidance during the three months ended June 29, 2013.

In July 2012, the FASB issued ASU No. 2012-02, *Intangibles-Goodwill and Other (Topic 350): Testing Indefinite-Lived Intangible Assets for Impairment.* This standard, which amends the guidance on testing indefinite-lived intangible assets for impairment, other than goodwill, provides companies with the option to first perform a qualitative assessment before performing the two-step quantitative impairment test. If the company determines, on the basis of qualitative factors, that the fair value of the indefinite-lived intangible asset is more likely than not to exceed its carrying amount, then the company would not need to perform the two-step quantitative impairment test. This standard does not revise the requirement to test indefinite-lived intangible assets annually for impairment. This standard becomes effective for annual and interim impairment tests performed for fiscal years beginning after September 15, 2012, with early adoption allowed. We adopted this guidance as of June 29, 2013. The adoption of ASU 2012-02 has not had an impact on our financial statements.

Guidance to be Implemented

In February 2013, FASB issued ASU No. 2013-04, *Liabilities (Topic 405): Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date* ("ASU 2013-04"). This guidance changes how an entity measures obligations resulting from joint and several liability arrangements by requiring that when measuring the obligation, an entity will include the amount the entity agreed to pay for the arrangement between the entity and other entities that are also obligated to the liability, and any additional amount the entity expects to pay on behalf of the other entities. ASU 2013-04 also requires additional disclosures surrounding such obligations. ASU 2013-04 is effective for interim and annual reporting periods beginning after December 15, 2013, and is required to be applied retrospectively. We expect to adopt this guidance in the fourth quarter of 2014. We have not completed our evaluation of the impact of this provision on our financial reporting.

3. ACQUISITIONS

Hemerus Acquisition

On April 30, 2013 we completed the acquisition of certain assets of Hemerus LLC ("Hemerus"), a Minnesota based company that develops innovative technologies for the collection of whole blood and processing and storage of blood components. Hemerus has received FDA approval for SOLX® whole blood collection system for eight hour storage of whole blood prior to processing. Hemerus previously received CE Marking (Conformité Européenne) in the European Union to market SOLX as the world's first 56-day red blood cell storage solution. We paid $23.1 million cash in addition to the $1.0 million paid in fiscal 2013. We will pay an additional $3.0 million upon a further FDA approval of the SOLX solution for 24 hour storage of whole blood prior to processing, and will pay up to $14.0 million based on future sales of SOLX-based products through fiscal 2024.

We acquired Hemerus to complement the portfolio of whole blood collection, filtration and processing product lines we recently acquired and to bring greater efficiency and productivity to whole blood collection and processing. Hemerus manufactures and sells manual blood collection systems and filters and has operations in North America. Expected revenue from the sale of SOLX will be reported within the blood center disposables product line.

The assets and liabilities acquired from Hemerus were recorded at fair value at the date of acquisition. The allocation of purchase price is preliminary, and subject to change based primarily on finalization of the assessment of the intangible assets and the fair value of liabilities assumed.

The preliminary allocation of the purchase price to the estimated fair value of the acquired assets and liabilities is summarized as follows:

Asset class	Amounts Recognized as of June 29, 2013
(In thousands)	
Intangible assets	$ 20,400
Goodwill	10,324
Fair value of net assets acquired	$ 30,724

The preliminary fair value of the acquired assets and liabilities are reflected in the consolidated balance sheets.

The $20.4 million of acquired intangible assets was allocated to acquired technology. Goodwill represents the excess of the purchase price over the fair value of the net assets. Goodwill of $10.3 million primarily represents future economic benefits expected to arise from the work force and synergies expected to be gained from the integration of SOLX into our whole blood products.

Prior to the acquisition, we had not conducted business with Hemerus except make an offer to purchase along with a $1.0 million commitment in April 2012.

Contingent consideration

As described above, we will pay the sellers of Hemerus assets up to $14.0 million based on future sales of SOLX. We recognized a liability equal to the fair value of the contingent payments we expect to make as of the acquisition date. We will revalue this liability each reporting period and record necessary changes in the fair value in our consolidated statements of operations. As of June 29, 2013, the maximum amount of future contingent consideration (undiscounted) that we could be required to pay related to future SOLX sales is $14.0 million. Additionally we will pay $3.0 million upon FDA approval of the SOLX solution for 24 hour storage of whole blood prior to processing.

Contingent consideration liabilities are measured at fair value using projected revenues, discount rates, probabilities of payment and projected payment dates. This Level 3 fair value measurement was performed using a probability-weighted discounted cash flow over a ten year period.

Increases or decreases in the fair value of our contingent consideration liability can result from changes in discount periods and rates, as well as changes in the timing and amount of revenue estimates or likelihood of earning revenue. Projected revenues are based on our most recent internal operational budgets and long-range strategic plans.

Whole Blood Acquisition

On August 1, 2012, we 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 with Pall which we refer to as the "whole blood business." We paid $535.2 million in cash and we anticipate paying an additional $15.0 million upon replication and delivery of certain manufacturing assets of Pall's filter media business to Haemonetics by 2016. Until that time, Pall will manufacture and sell filter media to Haemonetics under a supply agreement. We acquired the whole blood business to provide access to the manual collection and whole blood markets and provide scope for introduction of automated solutions in those markets. The whole blood business manufactures and sells manual blood collection systems and filters and has operations in North America, Europe and Asia Pacific countries. Revenue from the sale of whole blood disposables has been reported within the blood center disposables product line since the date of acquisition.

The acquired assets and liabilities were recorded at fair value. During the current period, we finalized the purchase price allocation which resulted in a reduction in the value of property, plant and equipment value was reduced of $1.3 million, an increase in assumed liabilities and goodwill of $0.1 million and $1.4 million, respectively. There was no significant change to the consolidated statements of income and comprehensive income during the three months ended June 29, 2013 as a result of these fair value updates.

The final allocation of the purchase price is summarized as follows:

Asset class		Amounts Recognized as of June 29, 2013
(In thousands)		
Inventories	$	49,917
Property, plant and equipment		84,704
Intangible assets		188,500
Other assets/liabilities, net		(6,266)
Goodwill		218,320
Fair value of net assets acquired	$	535,175

The following represents the pro forma consolidated statements of income and comprehensive income as if the acquisition of the whole blood business had been included in our consolidated results beginning on April 3, 2011.

(In thousands)		Three Months Ended June 30, 2012
Net sales	$	230,425
Net income	$	14,217
Basic earnings per share	$	0.28
Diluted earnings per share	$	0.27

The unaudited consolidated pro-forma financial information above includes the following significant adjustments made to account for certain costs which would have been incurred if the acquisition had been completed on April 3, 2011 as adjusted for the applicable tax impact.

(In thousands)		Three Months Ended June 30, 2012
Amortization of acquired intangible assets (1)	$	3,927
Interest expense incurred on acquisition financing (2)	$	2,380
Selling, general and admin. expenses (3)	$	2,635

(1) Added additional amortization of the acquired whole blood intangible assets recognized at fair value in purchase accounting.
(2) Added additional interest expense for the debt used to finance the acquisition.
(3) Additional investments in infrastructure costs to replicate certain support functions performed by division or corporate organizations of Pall that did not transfer in the acquisition. These costs 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.

4. EARNINGS PER SHARE (“EPS”)

The following table provides a reconciliation of the numerators and denominators of the basic and diluted earnings per share computations. Basic EPS is computed by dividing net income by weighted average shares outstanding. Diluted EPS includes the effect of potentially dilutive common shares. The common stock weighted average number of shares has been retroactively adjusted for the stock split that occurred on November 30, 2012.

	Three Months Ended	
(In thousands, except per share amounts)	June 29, 2013	June 30, 2012
Basic EPS		
Net income/(loss)	$ (7,874)	$ 9,787
Weighted average shares	51,231	50,966
Basic income/(loss) per share	$ (0.15)	$ 0.19
Diluted EPS		
Net income/(loss)	$ (7,874)	$ 9,787
Basic weighted average shares	51,231	50,966
Net effect of common stock equivalents	—	898
Diluted weighted average shares	51,231	51,864
Diluted income/(loss) per share	$ (0.15)	$ 0.19

Weighted average shares outstanding, assuming dilution, excludes the impact of 0.8 million shares for the three months ended June 29, 2013 and June 30, 2012, respectively, because these securities were anti-dilutive during the noted periods.

5. STOCK-BASED COMPENSATION

Stock-based compensation expense of $3.0 million was recognized for the three months ended June 29, 2013 and the related income tax benefit recognized was $1.0 million.

The weighted average fair value for our options granted was $9.78 and $8.68 for the three months ended June 29, 2013 and June 30, 2012, respectively. The assumptions utilized for estimating the fair value of option grants during the periods presented are as follows:

	Three Months Ended	
	June 29, 2013	June 30, 2012
Stock Options Black-Scholes assumptions (weighted average):		
Volatility	26.22%	27.91%
Expected life (years)	5.0	4.9
Risk-free interest rate	1.41%	0.92%
Dividend yield	—%	—%

During the three months ended June 29, 2013 and June 30, 2012, there were 81,465 and 84,514 shares, respectively, purchased under the Employee Stock Purchase Plan at an average price of $32.73 and $24.92 per share, respectively.

6. PRODUCT WARRANTIES

We generally provide a warranty on parts and labor for one year after the sale and installation of each device. We also warrant our disposables products through their use or expiration. We estimate our potential warranty expense based on our historical warranty experience, and we periodically assess the adequacy of our warranty accrual and make adjustments as necessary.

	Three Months Ended	
(In thousands)	June 29, 2013	June 30, 2012
Warranty accrual as of the beginning of the period	$ 673	$ 796
Warranty provision	385	283
Warranty spending	(372)	(437)
Warranty accrual as of the end of the period	$ 686	$ 642

7. 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.

(In thousands)	June 29, 2013	March 30, 2013
Raw materials	$ 74,259	$ 70,716
Work-in-process	6,128	7,829
Finished goods	116,286	105,239
	$ 196,673	$ 183,784

8. DERIVATIVES AND FAIR VALUE MEASUREMENTS

We manufacture, market and sell our products globally. For the three months ended June 29, 2013, approximately 44.4% of our sales were generated outside the U.S. generally in local currencies. We also incur certain manufacturing, marketing and selling costs in international markets in local currency.

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

Designated Foreign Currency Hedge Contracts

All of our designated foreign currency hedge contracts as of June 29, 2013 and March 30, 2013 were cash flow hedges under ASC Topic 815, *Derivatives and Hedging*. We record the effective portion of any change in the fair value of designated foreign currency hedge contracts in Other Comprehensive Income until the related third-party transaction occurs. Once the related third-party transaction occurs, we reclassify the effective portion of any related gain or loss on the designated foreign currency hedge contracts to earnings. In the event the hedged forecasted transaction does not occur, or it becomes probable that it will not occur, we would reclassify the amount of any gain or loss on the related cash flow hedge to earnings at that time. We had designated foreign currency hedge contracts outstanding in the contract amount of $120.1 million as of June 29, 2013 and $133.3 million as of March 30, 2013.

For the three months ended June 29, 2013, a $0.8 million gain related to foreign exchange hedge contracts, net of tax, was recorded in Accumulated Other Comprehensive Income to recognize the effective portion of the fair value of any designated foreign currency hedge contracts that are, or previously were, designated as foreign currency cash flow hedges, as compared to net losses of $0.8 million, net of tax, for the three months ended June 30, 2012. At June 29, 2013, gains of $0.8 million, net of

tax, may be reclassified to earnings within the next twelve months. All currency cash flow hedges outstanding as of June 29, 2013 mature within twelve months.

Non-designated Foreign Currency Contracts

We manage our exposure to changes in foreign currency on a consolidated basis to take advantage of offsetting transactions and balances. We use foreign currency forward contracts as a part of our strategy to manage exposure related to foreign currency denominated monetary assets and liabilities. These foreign currency forward contracts are entered into for periods consistent with currency transaction exposures, generally one month. They are not designated as cash flow or fair value hedges under ASC Topic 815. These forward contracts are marked-to-market with changes in fair value recorded to earnings. We had non-designated foreign currency hedge contracts under ASC Topic 815 outstanding in the contract amount of $67.6 million as of June 29, 2013 and $65.6 million as of March 30, 2013.

Interest Rate Swaps

On August 1, 2012, we entered into a credit agreement which provided for a $475.0 million term loan ("Term Loan"). Under the terms of this Credit Agreement, we may borrow at a spread to an index, including the LIBOR index of 1-month, 3-months, 6-months, etc. From the date of the Credit Agreement, we have chosen to borrow against the 1-month USD-LIBOR-BBA rounded up, if necessary, to the nearest $1/16^{th}$ of 1% ("Adjusted LIBOR"). The terms of the Credit Agreement also allow us to borrow in multiple tranches. While we currently borrow in a single tranche, in the future, we may choose to borrow in multiple tranches.

Accordingly, our earnings and cash flows are exposed to interest rate risk from changes in adjusted LIBOR. Part of our interest rate risk management strategy includes the use of interest rate swaps to mitigate our exposure to changes in variable interest rates. Our objective in using interest rate swaps is to add stability to interest expense and to manage and reduce the risk inherent in interest rate fluctuations. If the interest rate swap qualifies for hedge accounting, we formally document our hedge relationships (including identifying the hedged instrument and hedged item) at hedge inception. On a quarterly basis, we assess whether the interest rate swaps are highly effective in offsetting changes in the cash flow of the hedged item. We do not hold or issue interest rate swaps for trading purposes. We manage the credit risk of the counterparties by dealing only with institutions that we consider financially sound and consider the risk of non-performance to be remote.

On December 21, 2012, we entered into two interest rate swap agreements ("the swaps"), whereby we receive Adjusted LIBOR and pay an average fixed rate of 0.68% on a total notional value of $250.0 million of debt. The interest rate swaps mature on August 1, 2017. We designated the interest rate swaps as a cash flow hedge of variable interest rate risk associated with $250.0 million of indebtedness. For the three months ended June 29, 2013, a gain of $2.1 million, net of tax, was recorded in Accumulated Other Comprehensive Income to recognize the effective portion of the fair value of interest rate swaps that qualify as cash flow hedges. Amounts recorded in Accumulated Other Comprehensive Income as of June 29, 2013 for the difference between Adjust LIBOR payments received and fixed rates paid were not material

We did not have fair value hedges or net investment hedges outstanding as of June 29, 2013 or March 30, 2013.

Fair Value of Derivative Instruments

The following table presents the effect of our derivative instruments designated as cash flow hedges and those not designated as hedging instruments under ASC Topic 815 in our consolidated statements of income and comprehensive income for the three months ended June 29, 2013.

Derivative Instruments	Amount of Gain/(Loss) Recognized in AOCI (Effective Portion)	Amount of Gain/(Loss) Reclassified from AOCI into Earnings (Effective Portion)	Location in Consolidated Statements of Income and Comprehensive Income	Amount of gain Excluded from Effectiveness Testing (*)	Location in Consolidated Statements of Income and Comprehensive Income
(In thousands)					
Designated foreign currency hedge contracts, net of tax	$ 808	$ 1,118	Net revenues, COGS, and SG&A	$ 97	Other income (expense), net
Non-designated foreign currency hedge contracts	—	—		387	Other income (expense)
Designated interest rate swaps, net of tax	$ 2,129	$ 274	Interest income (expense), net	$ —	

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

We did not have fair value hedges or net investment hedges outstanding as of June 29, 2013 or March 30, 2013. In fiscal 2014, the amount recognized as deferred tax for designated foreign currency was $0.7 million and the amount recognized as deferred tax for interest rate swap hedges was $0.9 million.

ASC Topic 815 requires all derivative instruments to be recognized at their fair values as either assets or liabilities on the balance sheet. We determine the fair value of our derivative instruments using the framework prescribed by ASC Topic 820, *Fair Value Measurements and Disclosures*, by considering the estimated amount we would receive or pay to sell or transfer these instruments at the reporting date and by taking into account current interest rates, currency exchange rates, current interest rate curves, interest rate volatilities, the creditworthiness of the counterparty for assets, and our creditworthiness for liabilities. In certain instances, we may utilize financial models to measure fair value. Generally, we use inputs that include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; other observable inputs for the asset or liability; and inputs derived principally from, or corroborated by, observable market data by correlation or other means. As of June 29, 2013, we have classified our derivative assets and liabilities within Level 2 of the fair value hierarchy prescribed by ASC Topic 815, as discussed below, because these observable inputs are available for substantially the full term of our derivative instruments.

The following tables present the fair value of our derivative instruments as they appear in our consolidated balance sheets as of June 29, 2013 by type of contract and whether it is a qualifying hedge under ASC Topic 815.

(In thousands)	Location in Balance Sheet	June 29, 2013	March 30, 2013
Derivative Assets:			
Designated foreign currency hedge contracts	Other current assets	$ 5,749	$ 7,030
Designated interest rate swaps	Other current assets	2,312	—
		$ 8,061	$ 7,030
Derivative Liabilities:			
Designated foreign currency hedge contracts	Other current liabilities	$ 1,322	$ 954
Designated interest rate swaps	Other current liabilities	—	671
		$ 1,322	$ 1,625

Other Fair Value Measurements

ASC Topic 820, *Fair Value Measurements and Disclosures*, defines fair value, establishes a framework for measuring fair value in accordance with U.S. GAAP, and expands disclosures about fair value measurements. ASC Topic 820 does not require any new fair value measurements; rather, it applies to other accounting pronouncements that require or permit fair value measurements. In accordance with ASC Topic 820, for the three months ended June 29, 2013, we applied the requirements under ASC Topic 820 to our non-financial assets and non-financial liabilities. As we did not have an impairment of any non-financial assets or non-financial liabilities, there was no disclosure required relating to our non-financial assets or non-financial liabilities.

On a recurring basis, we measure certain financial assets and financial liabilities at fair value, including our money market funds, foreign currency hedge contracts, and contingent consideration. ASC Topic 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. We base fair value upon quoted market prices, where available. Where quoted market prices or other observable inputs are not available, we apply valuation techniques to estimate fair value.

ASC Topic 820 establishes a three-level valuation hierarchy for disclosure of fair value measurements. The categorization of assets and liabilities within the valuation hierarchy is based upon the lowest level of input that is significant to the measurement of fair value. The three levels of the hierarchy are defined as follows:

- Level 1 — Inputs to the valuation methodology are quoted market prices for identical assets or liabilities.
- Level 2 — Inputs to the valuation methodology are other observable inputs, including quoted market prices for similar assets or liabilities and market-corroborated inputs.
- Level 3 — Inputs to the valuation methodology are unobservable inputs based on management’s best estimate of inputs market participants would use in pricing the asset or liability at the measurement date, including assumptions about risk.

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

Fair Value Measured on a Recurring Basis

Financial assets and financial liabilities measured at fair value on a recurring basis consist of the following as of June 29, 2013:

(In thousands)	Quoted Market Prices for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total
Assets				
Money market funds	$ 121,117	$ —	$ —	$ 121,117
Foreign currency hedge contracts	—	5,749	—	5,749
Interest rate swap	—	2,312	—	2,312
	$ 121,117	$ 8,061	$ —	$ 129,178
Liabilities				
Foreign currency hedge contracts	$ —	$ 1,327	$ —	$ 1,327
Contingent consideration	—	—	6,600	6,600
	$ —	$ 1,327	$ 6,600	$ 7,927

Other Fair Value Disclosures

The Term Loan is carried at amortized cost and accounts receivable and accounts payable are also reported at their cost which approximates fair value.

9. INCOME TAXES

We conduct business globally and as a result report our results of operations in a number of foreign jurisdictions in addition to the United States. Our reported tax rate is lower than the federal statutory rate as the income tax rates in the foreign jurisdictions are generally lower.

During the three month period ended June 29, 2013 we incurred a consolidated net loss. The reported tax rate that we recorded on the consolidated net loss was 14.9% for the period ended June 29, 2013. Lower tax rates in foreign jurisdictions contributed to this reported rate. In addition, during the period we recorded pre-tax losses in Italy associated with restructuring costs, and we did not record a corresponding tax benefit due to uncertainty around our ability to realize a tax benefit in Italy.

The reported tax rate was 27.0% for the period ended June 30, 2012 resulted from our global distribution of income and tax rates that are lower than the federal statutory rate in foreign jurisdictions.

10. COMMITMENTS AND CONTINGENCIES

We are presently engaged in various legal actions, and although ultimate liability cannot be determined at the present time, we believe, based on consultation with counsel, that any such liability will not materially affect our consolidated financial position or our results of operations.

During the third quarter of fiscal 2013, we issued a field action letter to blood center customers requesting visual inspection of a component of certain whole blood collection sets, due to the potential for a leak to occur at a very low frequency. The component, referred to as a Y connector, was supplied by a contract manufacturer. As of June 29, 2013, we have an inventory reserve of $7.3 million for removal of affected whole blood collection sets for destruction or rework.

11. SEGMENT INFORMATION

Segment Definition Criteria

We manage our business on the basis of one operating segment: the design, manufacture, and marketing of blood management solutions. Our chief operating decision-maker uses consolidated results to make operating and strategic decisions. Manufacturing processes, as well as the regulatory environment in which we operate, are largely the same for all product categories.

Enterprise-Wide Disclosures about Product and Services

We have four global product families: plasma, blood center, hospital, and software solutions.

Our products include whole blood disposables, equipment devices and the related disposables used with these devices. Disposables include part of plasma, blood center, and hospital product families. Plasma consists of the disposables used to perform apheresis for the separation of whole blood components and subsequent collection of plasma to be used as a raw material for biologically derived pharmaceuticals. Blood center consists of disposables which separate whole blood for the subsequent collection of platelets, plasma, red cells, or a combination of these components for transfusion to patients as well as disposables for manual whole blood collection. Hospital consists of surgical disposables (principally the Cell Saver® autologous blood recovery system targeted to procedures that involve rapid, high volume blood loss such as cardiovascular surgeries and the cardioPAT® cardiovascular perioperative autotransfusion system designed to remain with the patient following surgery to recover blood and the patient's red cells to prepare them for reinfusion), the OrthoPAT® orthopedic perioperative autotransfusion system designed to operate both during and after surgery to recover and wash the patient's red cells to prepare them for reinfusion, and diagnostics products (principally the TEG® Thrombelastograph® hemostasis analyzer used to help assess a surgical patient's hemostasis during and after surgery). Software solutions include information technology platforms that assist blood centers, plasma centers, and hospitals to more effectively manage regulatory compliance and operational efficiency.

Revenues from External Customers:

(In thousands)	Three Months Ended June 29, 2013	Three Months Ended June 30, 2012
Disposable revenues		
Plasma disposables	$ 65,336	$ 63,878
Blood center disposables		
Platelet	34,446	37,242
Red cell	10,009	12,068
Whole blood	51,254	—
	95,709	49,310
Hospital disposables		
Surgical	16,089	18,260
OrthoPAT	6,320	7,541
Diagnostics	7,594	6,499
	30,003	32,300
Disposables revenue	191,048	145,488
Software solutions	16,746	17,304
Equipment & other	11,749	13,683
Net revenues	$ 219,543	$ 176,475

12. RESTRUCTURING

On May 1, 2013 we announced that our Board of Directors has approved a plan to pursue identified Value Creation & Capture ("VCC") opportunities. These include: (i) investment in product line extensions, next generation products and growth platforms; (ii) enhancement of commercial execution capabilities by implementing go-to-market and other strategies to enable global profitable revenue growth; and (iii) transformation of the manufacturing network to best support these commercial strategies while optimizing expense levels. Collectively, these are opportunities to position us for optimal growth and increased competitiveness.

Transformation of the manufacturing network will take place over the next three fiscal years, and will involve (i) discontinuing manufacturing activities at our Braintree, Massachusetts and Ascoli-Piceno, Italy locations, (ii) creating a technology center of excellence for product development close to our current Corporate Headquarters, (iii) expansion of our current facility in Tijuana, Mexico, (iv) engaging Sanmina Corporation as a contract manufacturer to produce certain medical equipment, and (v) building a new manufacturing facility in Penang, Malaysia closer to our customers in Asia.

We expect to deploy significant financial resources for these activities. Many of the activities necessary to conclude these VCC initiatives constitute restructuring. The substantial majority of costs in the table below relate to VCC initiatives. Other restructuring is primarily related to the completion of integration activities associated with the whole blood acquisition.

For the three months ended June 29, 2013, we incurred $23.5 million of restructuring charges of which $14.7 million is payable within the next twelve months. The substantial majority of restructuring expenses have been included as a component of selling, general and administrative expense in the accompanying consolidated statements of income and comprehensive income. We anticipate that we will incur approximately $60.0 million in total restructuring charges related to VCC initiatives in fiscal 2014.

The following summarizes the restructuring activity for the three months ended June 29, 2013:

(In thousands)	Balance at March 30, 2013	Restructuring Costs Incurred	Payments	Asset Write-Down	Restructuring Accrual Balance at June 29, 2013
Severance and other employee costs	$ 3,089	$ 20,039	$ (1,969)	$ —	$ 21,159
Other costs	173	3,103	(1,490)	—	1,786
Asset write-down	—	327	—	(327)	—
	$ 3,262	$ 23,469	$ (3,459)	$ (327)	$ 22,945

13. CAPITALIZATION OF SOFTWARE DEVELOPMENT COSTS

For costs incurred related to the development of software to be sold, leased, or otherwise marketed, we apply the provisions of ASC Topic 985-20, *Software - Costs of Software to be Sold, Leased or Marketed*, which specifies that costs incurred internally in researching and developing a computer software product should be charged to expense until technological feasibility has been established for the product. Once technological feasibility is established, all software costs should be capitalized until the product is available for general release to customers.

We capitalized $1.3 million and $1.9 million in software development costs for ongoing initiatives during the three month periods ended June 29, 2013 and June 30, 2012, respectively. At June 29, 2013 and March 30, 2013, we have a total of $21.3 million and $20.0 million, respectively, of costs capitalized related to in-process software development initiatives. The costs capitalized for each project are included in intangible assets in the consolidated financial statements.

14. ACCUMULATED OTHER COMPREHENSIVE INCOME

The following is a roll forward of the components of Accumulated Other Comprehensive Income, net of tax, for the three months ended June 29, 2013:

(In thousands)	**Foreign currency**	**Defined benefit plans**	**Net Unrealized Gain/loss on Derivatives**	**Total**
Balance as of March 30, 2013	$ 4,133	$ (5,073)	$ 6,373	$ 5,433
Other comprehensive income before reclassifications	(1,805)		2,938	1,133
Amounts reclassified from Accumulated Other Comprehensive Income	—		(1,392)	(1,392)
Net current period other comprehensive income	(1,805)	—	1,546	(259)
Balance at June 29, 2013	$ 2,328	$ (5,073)	$ 7,919	$ 5,174

The details about the amount reclassified from Accumulated other comprehensive income for the three months ended June 29, 2013 are as follows:

(In thousands)	**Amounts Reclassified from Other Comprehensive Income**	**Affected Line in the Statement of Income**
Derivative instruments reclassified to income statement		
Unrealized net gain on derivatives	$ 2,066	Other income/(expense)
Income tax effect	(674)	Provision for income taxes
Net of taxes	$ 1,392	

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

This Management's Discussion and Analysis of Financial Condition and Results of Operations ("MD&A") should be read in conjunction with both our interim consolidated financial statements and notes thereto which appear elsewhere in this Quarterly Report on Form 10-Q and our annual consolidated financial statements, notes thereto and the MD&A contained in our fiscal year 2013 Annual Report on Form 10-K filed with the Securities and Exchange Commission (the "SEC") on May 20, 2013. The following discussion may contain forward-looking statements and should be read in conjunction with the "Cautionary Statement Regarding Forward-Looking Information."

Our Business

Haemonetics is a blood management solutions company. Anchored by our medical device systems, we also provide information technology platforms and value added services to provide customers with business solutions which support improved clinical outcomes for patients and efficiency in the blood supply chain. On April 30, 2013 we completed the acquisition of certain assets of Hemerus Medical LLC ("Hemerus"), a Minnesota based company that develops innovative technologies for the collection of whole blood and processing and storage of blood components. Hemerus has received FDA approval for SOLX® whole blood collection system for eight hour storage of whole blood. Hemerus previously received CE Marking (Conformité Européenne) in the European Union to market SOLX as the world's first 56-day red blood cell storage solution. We paid $23.1 million cash in addition to the $1.0 million paid early in fiscal 2013. We will pay an additional $3.0 million upon a further FDA approval of the SOLX solution for 24 hour storage of whole blood prior to processing, and will pay up to $14.0 million on future sales of SOLX-based products.

Value Creation and Capture

In the aggregate, we recorded restructuring and restructuring-related charges pursuant to VCC initiatives of $25.1 million in this quarter of which $23.9 million was recorded in selling, general and administrative and remaining $1.2 million in cost of goods sold. Restructuring and restructuring-related costs are excluded by management for purposes of evaluating operating performance.

Our medical device systems provide both automated and manual collection and processing of donated blood, assess likelihood for blood loss, salvage and process blood from surgery patients, and dispense and track blood inventory in the hospital. These systems include devices and single-use, proprietary disposable sets ("disposables") some of which only operate with our specialized devices. Specifically, our plasma and blood center systems allow users to collect and process only the blood component(s) they target - plasma, platelets, or red blood cells - increasing donor and patient safety as well as collection efficiencies. Our blood diagnostics system assesses hemostasis (a patient's clotting ability) to aid clinicians in assessing the cause of bleeding, resulting in overall reductions in blood product usage. Our surgical blood salvage systems allow surgeons to collect the blood lost by a patient in surgery, cleanse the blood, and make it available for transfusion back to the patient. Our blood tracking systems automate the distribution of blood products in the hospital. Our manual blood collection and filtration systems enable the manual collection of all blood components while detecting bacteria, thus reducing the risks of infection through transfusion.

We place devices with some of our customers which remain our property. The customer has the right to use these for a period of time as long as certain conditions are met, which, among other things, generally include one or more of the following:

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

Our disposables revenue stream includes the sales of manual collection and filtration systems, device disposables and fees for the use of our equipment, which accounted for approximately 87.0% and 82.4% of our total revenues for the three months ended June 29, 2013 and June 30, 2012, respectively.

Financial Summary

	Three Months Ended		
(In thousands, except per share data)	June 29, 2013	June 30, 2012	% Increase/ (Decrease)
Net revenues	$ 219,543	$ 176,475	24.4%
Gross profit	$ 111,412	$ 90,113	23.6%
% of net revenues	*50.7 %*	*51.1%*	
Operating expenses	$ 118,020	$ 77,034	53.2%
Operating (loss)/income	$ (6,608)	$ 13,079	n/m
% of net revenues	*(3.0)%*	*7.4%*	
Other (expense)/income, net	$ (2,641)	$ 336	n/m
(Loss)/Income before taxes	$ (9,249)	$ 13,415	n/m
Income tax (benefit)/expense	$ (1,375)	$ 3,628	n/m
% of pre-tax income	*14.9 %*	*27.0%*	
Net (loss)/income	$ (7,874)	$ 9,787	n/m
% of net revenues	*(3.6)%*	*5.5%*	
Earnings per share-diluted	$ (0.15)	$ 0.19	n/m

Net revenues increased 24.4% for the three months ended June 29, 2013 as compared to the same three month period of fiscal 2013. Without the effects of foreign exchange, net revenues increased 26.4% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. The negative impact of foreign currency was associated with the weakening of the Japanese Yen, which had a 220 basis points impact on our revenue. The three months ended June 29, 2013 include sales from the whole blood business acquired on August 1, 2012 of $51.3 million, as well as growth in our plasma and diagnostics disposable sales. These increases were partially offset by declines across other product lines for the three months ended June 29, 2013.

We recorded an operating loss during the three months ended June 29, 2013 as compared to an operating profit recorded for the same three month period of fiscal 2013. Gross profit increase due to revenue growth was more than offset by higher operating expenses due to a significant increase in transformation and restructuring costs primarily associated with VCC initiatives.

We recorded a net loss for the three months ended June 29, 2013 as compared to net income recorded for the same three month period of fiscal 2013. The decrease in net income was attributable to the decrease in operating income described above and additional interest expense.

RESULTS OF OPERATIONS

Net Revenues by Geography

(In thousands)	Three Months Ended June 29, 2013	Three Months Ended June 30, 2012	% Increase/ (Decrease)
United States	$ 122,145	$ 87,907	38.9%
International	97,398	88,568	10.0%
Net revenues	$ 219,543	$ 176,475	24.4%

International Operations and the Impact of Foreign Exchange

Our principal operations are in the U.S., Europe, Japan and other parts of Asia. Our products are marketed in approximately 100 countries around the world through a combination of our direct sales force and independent distributors and agents.

Our revenues generated outside the U.S. approximated 44.4% of total net revenues for the three months ended June 29, 2013. International sales are generally conducted in local currencies, primarily the Japanese Yen and the Euro. Our revenues are impacted by changes in the value of the Yen and the Euro relative to the U.S. Dollar.

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

Net Revenues by Product Type

(In thousands)	Three Months Ended June 29, 2013	Three Months Ended June 30, 2012	% Increase/ (Decrease)
Disposables	$ 191,048	$ 145,488	31.3 %
Software solutions	16,746	17,304	(3.2)%
Equipment & other	11,749	13,683	(14.1)%
Net revenues	$ 219,543	$ 176,475	24.4 %

Disposable Revenues by Product Type

(In thousands)	Three Months Ended June 29, 2013	Three Months Ended June 30, 2012	% Increase/ (Decrease)
Plasma disposables	$ 65,336	$ 63,878	2.3 %
Blood center disposables			
Platelet	34,446	37,242	(7.5)%
Red cell	10,009	12,068	(17.1)%
Whole blood	51,254	—	100.0 %
	$ 95,709	$ 49,310	94.1 %
Hospital disposables			
Surgical	16,089	18,260	(11.9)%
OrthoPAT	6,320	7,541	(16.2)%
Diagnostics	7,594	6,499	16.8 %
	30,003	32,300	(7.1)%
Total disposables revenue	$ 191,048	$ 145,488	31.3 %

Disposables

Disposables revenue increased 31.3% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. Without the effect of foreign exchange, disposables revenue increased 33.7% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013, driven primarily by revenue from the acquired whole blood business.

Plasma

Plasma disposables revenue increased 2.3% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. Without the effect of foreign exchange, plasma revenue increased 4.3% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. Plasma revenue increased for the three months ended June 29, 2013 due primarily to higher volumes from commercial fractionation customers in the United States and our European distribution customers offset by declines in Australia and New Zealand arising from our transition to direct sales from a distribution model.

Blood Center

Blood center consists of disposables used to collect platelets, red cells and whole blood.

Platelet disposables revenue decreased 7.5% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. Without the effect of foreign exchange, platelet disposable revenue decreased 3.4% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013, due to unfavorable order timing in our distribution markets, partially offset by growth in Japan due to the timing of orders in the prior year.

Red cell disposables revenue decreased 17.1% in the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. Without the effect of foreign exchange, red cell disposables revenue decreased 16.3% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013, resulting from favorable order timing in the three months ended March 30, 2013. Also, market data indicates that improved blood management procedures in hospitals is accelerating the reduction in demand for red cells.

Whole blood disposables revenue was $51.3 million for the three months ended June 29, 2013, representing sales of products from the acquisition completed on August 1, 2012.

Hospital

Hospital consists of Surgical, OrthoPAT, and Diagnostics products.

Surgical disposables revenue consists principally of the Cell Saver and CardioPAT products. Revenues from our surgical disposables decreased 11.9% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. Without the effect of foreign exchange, surgical disposables revenue decreased 7.5% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013, due to the return to the market of a competitor with aggressive pricing whose operations were limited by a natural disaster in the prior year, and by a reduction in demand for surgical procedures.

Revenues from our OrthoPAT disposables decreased 16.2% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. Without the effect of foreign exchange, OrthoPAT disposables revenue decreased 12.7% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013, as better blood management has reduced demand for OrthoPAT disposables. Recent market trends toward the adoption of tranexamic acid to treat and prevent post-operative blood loss have lessened hospital use of OrthoPAT disposables.

Diagnostics product revenue consists principally of the consumable reagents used with the TEG analyzer. Revenues from our diagnostics products increased 16.8% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. Without the effect of foreign exchange, diagnostics product revenues increased 16.9% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. The revenue increase is due to continued adoption of our TEG analyzer, principally in the U.S.

Software Solutions

Our software solutions revenues include sales of our information technology software platforms and consulting services. Software revenues decreased 3.2% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. Without the effect of foreign exchange, software revenues decreased 3.1% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. The decrease is primarily driven by declines in plasma software revenue, including the negative impact of a plasma customer transitioning to self-hosting.

Equipment & Other

Our equipment and other revenues include revenue from equipment sales, repairs performed under preventive maintenance contracts or emergency service visits, spare part sales, and various service and training programs. These revenues are primarily composed of equipment sales, which tend to vary from period to period more than our disposable business due to the timing of order patterns, particularly in our distribution markets. Equipment and other revenues decreased 14.1% for the three months ended June 29, 2013, as compared to the same three month periods of fiscal 2013. Without the effect of foreign exchange, equipment and other revenues decreased 12.7% for the three months ended June 29, 2013, as compared to the same three

month period of fiscal 2013. The decline in revenue for the three months ended June 29, 2013 is due primarily to 20% growth in equipment sales in the prior fiscal year associated with the timing of orders, tender and capital budgets. Prior year's results also benefited from a competitor whose operations were limited by a natural disaster, and the successful launch of the Cell Saver Elite.

Gross Profit

(In thousands)	Three Months Ended June 29, 2013	Three Months Ended June 30, 2012	% Increase/ (Decrease)
Gross profit	$ 111,412	$ 90,113	23.6%
% of net revenues	50.7%	51.1%	

Gross profit increased 23.6% for the three months ended June 29, 2013 compared to the same three month period of fiscal 2013. Without the effect of foreign exchange, gross profit increased 25.2% for the three months ended June 29, 2013, as compared to the same three month period of fiscal 2013. The gross profit margin decreased by 32 basis points for the three months ended June 29, 2013 as compared to the same three month period of fiscal 2013.

The decrease in gross profit margin includes the impact of whole blood disposable sales and higher plasma disposable sales, as these products carry lower average gross margins than other product lines, as well as certain inventory and non-cash costs incurred related to VCC and whole blood integration activities. These unfavorable impacts were partially offset by manufacturing efficiencies.

Operating Expenses

(In thousands)	Three Months Ended June 29, 2013	Three Months Ended June 30, 2012	% Increase/ (Decrease)
Research and development	$ 11,209	$ 9,409	19.1%
% of net revenues	5.1%	5.3%	
Selling, general and administrative	$ 106,811	$ 67,625	57.9%
% of net revenues	48.7%	38.3%	
Total operating expenses	$ 118,020	$ 77,034	53.2%
% of net revenues	53.8%	43.7%	

Research and Development

Research and development expenses increased 19.1% for the three months ended June 29, 2013 as compared to the same three month period of fiscal 2013. These increases are primarily due to additional staff and program spending related to the whole blood acquisition and related product initiatives, as well as new research initiatives and development programs undertaken this period.

Selling, General and Administrative

During the three months ended June 29, 2013, selling, general and administrative expenses increased 57.9% as compared to the same three month period of fiscal 2013. These increases include severance and other costs associated with VCC initiatives of $23.9 million and approximately $13.6 million of incremental expense related to the whole blood business following the August 1, 2012 acquisition, of which $4.2 million is amortization of acquired intangible assets.

Other Expense, Net

Other expense, net, increased for the three months ended June 29, 2013 as compared to the same three month period of fiscal 2013, primarily due to interest expense from the $475.0 million Term Loan borrowed in connection with the whole blood acquisition.

Income Taxes

	Three Months Ended		
	June 29, 2013	June 30, 2012	% Increase/ (Decrease)
Reported income tax rate	14.9%	27.0%	(12.1)%

We conduct business globally and as a result report our results of operations in a number of foreign jurisdictions in addition to the United States. Our reported tax rate is lower than the federal statutory rate as the income tax rates in the foreign jurisdictions are generally lower.

During the three month period ended June 29, 2013 we incurred a consolidated net loss. The reported tax rate that we recorded on the consolidated net loss was 14.9% for the period ended June 29, 2013. Lower tax rates in foreign jurisdictions contributed to this reported rate. In addition, during the period we recorded pre-tax losses in Italy associated with restructuring costs, and we did not record a corresponding tax benefit due to uncertainty around our ability to realize a tax benefit in Italy.

The reported tax rate was 27.0% for the period ended June 30, 2012 resulted from our global distribution of income and tax rates that are lower than the federal statutory rate in foreign jurisdictions.

Liquidity and Capital Resources

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

(Dollars in thousands)	June 29, 2013	March 30, 2013
Cash & cash equivalents	$ 166,328	$ 179,120
Working capital	$ 403,577	$ 416,866
Current ratio	3.1	3.3
Net (debt)/cash position (1)	$ (314,225)	$ (300,974)
Days sales outstanding (DSO)	65	62
Disposable finished goods inventory turnover	3.7	4.0

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

Our primary sources of liquidity are cash and cash equivalents, internally generated cash flow from operations and option exercises. We believe these sources are sufficient to fund our cash requirements over the next twelve months, which are primarily payments associated with VCC initiatives, acquisition and integration activities, capital expenditure, planned principal payments of $27.0 million under the Credit Agreement, share repurchases under programs authorized by the Board of Directors at its discretion from time to time and other investments.

VCC initiatives

We expect to record approximately $119.0 million of restructuring costs, capital expenditures and certain non-cash expenses during fiscal 2014 in connection with VCC initiatives and completion of the whole blood integration as presented below.

(In millions)	Total
Manufacturing network optimization	$ 43.0
Commercial excellence initiatives	8.0
Productivity and operational initiatives	10.0
Completion of whole blood integration	11.0
Network transformation capital	37.0
Non-cash asset write downs or accelerated depreciation	10.0
Total	$ 119.0

These costs consist principally of severance and other employee related costs, product line transfer costs including relocation and validation, as well as redundant overhead and inefficiencies during the transfer period. The management and execution will require a dedicated team of program managers, engineers, regulatory and quality professionals, the cost of which is included in these estimates. Network transformation capital will be used to expand our existing Tijuana, Mexico facility and construct a new facility in Penang, Malaysia.

Debt

In connection with the acquisition of the whole blood business, we entered into a credit agreement ("Credit Agreement") with certain lenders (together, “Lenders”) which provided for a $475.0 million Term Loan and a $50.0 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 and mature on August 1, 2017. Interest is based on the Adjusted LIBOR plus a range of 1.125% to 1.500% depending on achievement of leverage ratios and customary credit terms which include financial and negative covenants. As of June 29, 2013 all $50.0 million of the Revolving Credit Facility was available and we were in compliance with the financial covenants including Consolidated Total Leverage Ratio and Consolidated Interest Coverage Ratio.

Cash Flows

	Three Months Ended		
(In thousands)	June 29, 2013	June 30, 2012	Increase/ (Decrease)
Net cash provided by (used in):			
Operating activities	$ 13,402	$ 553	$ 12,849
Investing activities	(35,647)	(9,189)	(26,458)
Financing activities	9,504	16,227	(6,723)
Effect of exchange rate changes on cash and cash equivalents (1)	(51)	(405)	354
Net increase (decrease) in cash and cash equivalents	$ (12,792)	$ 7,186	$ (19,978)

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

Cash Flow Overview:

Operating Activities:

Net cash provided by operating activities increased by $12.8 million during the three months ended June 29, 2013 as compared to the three months ended June 30, 2012 primarily due to higher cash receipts associated with sales growth and stable collection patterns which more than offset increased expenditure following the whole blood acquisition. Cash expenditures related to restructuring and integration activities did not increase significantly compared to the three months ended June 30, 2012, as the substantial majority of cash payments under VCC initiatives in fiscal 2014 will be paid subsequent to June 29, 2013.

Investing Activities

Net cash used in investing activities increased by $26.5 million during the three months ended June 29, 2013 as compared to the three months ended June 30, 2012 due primarily to the $23.1 million payment for the acquisition of Hemerus.

Financing Activities:

Net cash provided by financing activities decreased by $6.7 million during the three months ended June 29, 2013, as compared to the three months ended June 30, 2012 due primarily to lower proceeds from stock option exercises of $7.0 million.

Concentration of Credit Risk

Concentrations of credit risk with respect to trade accounts receivable are generally limited due to our large number of customers and their diversity across many geographic areas. A portion of our trade accounts receivable outside the United States, however, include sales to government-owned or supported healthcare systems in several countries, which are subject to payment delays. Payment is dependent upon the financial stability and creditworthiness of those countries' national economies.

We have not incurred significant losses on government receivables. We continually evaluate all government receivables for potential collection risks associated with the availability of government funding and reimbursement practices. If the financial condition of customers or the countries' healthcare systems deteriorate such that their ability to make payments is uncertain, allowances may be required in future periods.

Deteriorating credit and economic conditions in parts of Western Europe, particularly in Italy, where our net accounts receivable is $23.1 million and $23.4 million as of June 29, 2013 and March 30, 2013, respectively, may increase the average length of time it takes us to collect accounts receivable in certain regions within these countries.

Inflation

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

Foreign Exchange

During the three months ended June 29, 2013, approximately 44.4% of our sales were generated outside the U.S., generally in foreign currencies, yet our reporting currency is the U.S. Dollar. Our primary foreign currency exposures relate to sales denominated in the Euro, the Japanese Yen and Australian Dollar. We also have foreign currency exposure related to manufacturing and other operational costs denominated in the Swiss Franc, the British Pound and the Canadian Dollar. The Yen and Euro sales exposure is partially mitigated by costs and expenses for foreign operations and sourcing products denominated in foreign currencies. Since our foreign currency denominated Yen and Euro sales exceed the foreign currency denominated costs, whenever the U.S. Dollar strengthens relative to the Yen or Euro, there is an adverse effect on our results of operations and, conversely, whenever the U.S. Dollar weakens relative to the Yen or Euro, there is a positive effect on our results of operations. For the Swiss Franc, the British Pound, the Canadian Dollar and Mexican Peso our primary cash flows relate to product costs or costs and expenses of local operations. Whenever the U.S. Dollar strengthens relative to these foreign currencies, there is a positive effect on our results of operations. Conversely, whenever the U.S. Dollar weakens relative to these currencies, there is an adverse effect on our results of operations.

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

These contracts are designated as cash flow hedges and are intended to lock in the expected cash flows of forecasted foreign currency denominated sales and costs at the available spot rate. Actual spot rate gains and losses on these contracts are recorded in sales and costs, at the same time the underlying transactions being hedged are recorded. The final impact of currency fluctuations on the results of operations is dependent on the local currency amounts hedged and the actual local currency results.

Presented below are the spot rates for our Euro, Japanese Yen, Canadian Dollar, British Pound, and Swiss Franc cash flow hedges that settled during fiscal years 2011, 2012, 2013, 2014 and 2015 or are presently outstanding. These hedges cover our long foreign currency positions that result from our sales designated in Euro and the Japanese Yen. These hedges also include our short positions associated with costs incurred in Canadian Dollars, British Pounds, and Swiss Francs. The table also shows how the strengthening or weakening of the spot rates associated with those hedge contracts versus the spot rates in the contracts that settled in the prior comparable period affects our results favorably or unfavorably. The table assumes a consistent notional amount for hedge contracts in each period presented.

	First Quarter	Favorable / (Unfavorable)	Second Quarter	Favorable / (Unfavorable)	Third Quarter	Favorable / (Unfavorable)	Fourth Quarter	Favorable / (Unfavorable)
Euro - Hedge Spot Rate (US$ per Euro)								
FY11	1.36	(13)%	1.41	(5)%	1.43	8 %	1.35	5 %
FY12	1.24	(9)%	1.30	(8)%	1.36	(5)%	1.37	1 %
FY13	1.43	15 %	1.42	9 %	1.36	— %	1.32	(4)%
FY14	1.27	(11)%	1.25	(12)%	1.29	(5)%	1.33	1 %
FY15								
Japanese Yen - Hedge Spot Rate (JPY per US$)								
FY11	98.17	(7)%	94.91	(10)%	89.13	(8)%	89.78	(4)%
FY12	88.99	(9)%	85.65	(10)%	81.73	(8)%	82.45	(8)%
FY13	79.40	(11)%	76.65	(11)%	77.58	(5)%	78.69	(5)%
FY14	79.85	1 %	79.68	4 %	84.32	9 %	93.92	19 %
FY15								
Canadian Dollar - Hedge Spot Rate (CAD per US$)								
FY11	1.10	(4)%	1.09	(3)%	1.07	(4)%	1.03	(6)%
FY12	1.05	(5)%	1.03	(6)%	1.00	(7)%	0.99	(4)%
FY13	0.98	(7)%	0.99	(4)%	1.01	1 %	1.00	1 %
FY14	1.01	3 %	1.00	1 %	1.00	(1)%	1.01	1 %
FY15								
British Pound - Hedge Spot Rate (US$ per GBP)								
FY11	1.47	1 %	1.65	15 %	1.63	15 %	1.59	14 %
FY12	1.50	2 %	1.54	(7)%	1.57	(4)%	1.58	(1)%
FY13	1.62	8 %	1.63	6 %	1.60	2 %	1.57	(1)%
FY14	1.59	(2)%	1.55	(5)%	1.52	(5)%	1.54	(2)%
FY15	1.56	(2)%						
Swiss Franc - Hedge Spot Rate (CHF per US$)								
FY11			1.05		1.04		1.05	
FY12	1.05		1.01	(4)%	0.96	(8)%	0.92	(12)%
FY13	0.82	(22)%	0.85	(16)%	0.92	(4)%	0.92	— %
FY14	0.96	17 %	0.95	12 %	0.92	— %	0.93	1 %
FY15								

* We generally place our cash flow hedge contracts on a rolling twelve month basis

Recent Accounting Pronouncements

New pronouncements issued but not effective until after June 29, 2013 are not expected to have a material impact on financial position, results of operation or liquidity.

Guidance to be Implemented

In February 2013, FASB issued ASU No. 2013-04, *Liabilities (Topic 405): Obligations Resulting from Joint and Several Liability Arrangements for Which the Total Amount of the Obligation is Fixed at the Reporting Date* ("ASU 2013-04"). This

guidance changes how an entity measures obligations resulting from joint and several liability arrangements by requiring that when measuring the obligation, an entity will include the amount the entity agreed to pay for the arrangement between the entity and other entities that are also obligated to the liability, and any additional amount the entity expects to pay on behalf of the other entities. ASU 2013-04 also requires additional disclosures surrounding such obligations. ASU 2013-04 is effective for interim and annual reporting periods beginning after December 15, 2013, and is required to be applied retrospectively. We expect to adopt this guidance in the fourth quarter of 2014. This guidance is not expected to have a material impact on our financial position or results of operations, but will require additional disclosures.

Cautionary Statement Regarding Forward-Looking Information

Statements contained in this report, as well as oral statements we make which are prefaced with the words “may,” “will,” “expect,” “anticipate,” “continue,” “estimate,” “project,” “intend,” “designed,” and similar expressions, are intended to identify forward looking statements regarding events, conditions, and financial trends that may affect our future plans of operations, business strategy, results of operations, and financial position. These statements are based on our current expectations and estimates as to prospective events and circumstances about which we can give no firm assurance. Further, any forward-looking statement speaks only as of the date on which such statement is made, and we undertake no obligation to update any forward-looking statement to reflect events or circumstances after the date on which such statement is made. As it is not possible to predict every new factor that may emerge, forward-looking statements should not be relied upon as a prediction of our actual future financial condition or results. These forward-looking statements, like any forward-looking statements, involve risks and uncertainties that could cause actual results to differ materially from those projected or anticipated. Such risks and uncertainties include the effects of disruption from the acquisition of the Pall whole blood business making it more difficult to maintain relationships with employees, customers, vendors and other business partners, unexpected expenses incurred to integrate the Pall whole blood business, our ability to successfully execute on the transformation of our manufacturing network and our other value creation and capture activities, technological advances in the medical field and standards for transfusion medicine and our ability to successfully implement products that incorporate such advances and standards, demand for blood components, product quality, market acceptance, regulatory uncertainties, the effect of economic and political conditions, the impact of competitive products and pricing, blood product reimbursement policies and practices, foreign currency exchange rates, changes in customers' ordering patterns, the effect of industry consolidation as seen in the plasma market, the effect of communicable diseases and the effect of uncertainties in markets outside the U.S. (including Europe and Asia) in which we operate and such other risks described under the “Risk Factors” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations” sections contained elsewhere in this report, as well as our Annual Report on Form 10-K for the fiscal year ended March 30, 2013.

ITEM 3. QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

The Company’s exposure relative to market risk is due to foreign exchange risk and interest rate risk.

Foreign Exchange Risk

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

We estimate the change in the fair value of all forward contracts assuming both a 10% strengthening and weakening of the U.S. Dollar relative to all other major currencies. In the event of a 10% strengthening of the U.S. Dollar, the change in fair value of all forward contracts would result in an $8.1 million increase in the fair value of the forward contracts; whereas a 10% weakening of the US Dollar would result in an $8.4 million decrease in the fair value of the forward contracts.

Interest Rate Risk

Our exposure to changes in interest rates is associated with borrowings on our credit facility, all of which is variable rate debt. All other long-term debt is at fixed rates. Total outstanding debt under our credit facility as of June 29, 2013 was $475.0 million with an interest rate of 1.625% based on prevailing LIBOR rates. An increase of 100 basis points in LIBOR rates would result in additional annual interest expense of $4.8 million; the hedge reduces, but does not eliminate the exposure. On December 21, 2012, we entered into interest rate swap agreements to effectively convert $250.0 million of borrowings from a variable rate to a fixed rate. The interest rate swaps qualify for hedge accounting treatment as cash flow hedges. The major risks from interest rate swaps include changes in the interest rates affecting the fair value of such instruments, potential increases in interest expense due to market increases in floating interest rates and the creditworthiness of the counterparties in such transactions. We continuously monitor the creditworthiness of our counterparties.

ITEM 4. CONTROLS AND PROCEDURES

We conducted an evaluation, as of June 29, 2013, under the supervision and with the participation of our management, including our Chief Executive Officer and Chief Financial Officer (the Company’s principal executive officer and principal financial officer, respectively) regarding the effectiveness of the design and operation of our disclosure controls and procedures as defined in Rule 13a-15 under the Securities Exchange Act of 1934 (the “Exchange Act”). Based upon that evaluation, the Chief Executive Officer and Chief Financial Officer concluded that our disclosure controls and procedures are effective as of June 29, 2013. There has been no change in our internal control over financial reporting during the quarter ended June 29, 2013 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

We acquired Pall Corporation's transfusion medicine business on August 1, 2012. We have extended our oversight and monitoring processes that support our internal control over financial reporting to include the acquired operations. We are continuing to integrate the acquired operations into our overall internal control over financial reporting process. We will assess the effectiveness of internal control over financial reporting for the acquired whole blood business this fiscal year.

PART II — OTHER INFORMATION

Item 1. Legal Proceedings

Fenwal Patent Litigation

For the past five years, we have pursued a patent infringement lawsuit against Fenwal, the details of which are summarized in our Form 10-K for the fiscal year ended March 30, 2013. In January 2010, we were awarded damages and an injunction against Fenwal in connection with this lawsuit.

On June 2, 2010, the United States Court of Appeals reversed the trial court's claim construction and accordingly, vacated the injunction and damages previously awarded to Haemonetics and remanded the case to the trial court for further proceedings. On September 15, 2011, the trial court granted a summary judgment motion which essentially ended the U.S. case in Fenwal's favor.

We continue to pursue a patent infringement action in Germany against Fenwal and its European and German subsidiary, for Fenwal's infringement of Haemonetics' corresponding European patent to the Haemonetics patent at issue in the United States litigation. Further details related to these proceedings have been disclosed in our Form 10-K for the fiscal year ended March 30, 2013. There have been no material developments related to these proceedings during the current fiscal year.

Item 1A. Risk Factors

In addition to the other information set forth in this report, careful consideration should be given to the factors discussed in Part 1, “Item 1A. Risk Factors” in the Company's Annual Report on Form 10-K for the year ended March 30, 2013, which could materially affect the Company's business, financial condition or future results.

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

Not applicable.

Item 3. Defaults Upon Senior Securities

Not applicable.

Item 4. Mine Safety Disclosures

Not applicable.

Item 5. [Removed and Reserved]

Item 6. Exhibits

31.1	Certification pursuant to Section 302 of Sarbanes-Oxley Act of 2002, of Brian Concannon, President and Chief Executive Officer of the Company
31.2	Certification pursuant to Section 302 of Sarbanes-Oxley of 2002, of Christopher Lindop, Chief Financial Officer and Executive Vice President Business Development of the Company
32.1	Certification Pursuant to 18 United States Code Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Brian Concannon, President and Chief Executive Officer of the Company
32.2	Certification Pursuant to 18 United States Code Section 1350, as adopted Pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, of Christopher Lindop, Chief Financial Officer and Executive Vice President Business Development of the Company
10J	Lease dated February 21, 2000 between BBVA Bancomer Servicios, S.A., as Trustee of the “Submetropoli de Tijuana” Trust and Haemonetics Mexico Manufacturing, S. de R.L. de C.V., as successor in interest to Ensatec S.A. de C.V. and Pall Mexico Manufacturing, S. de R.L. de C.V. with authorization of El Florido California, S.A. de C.V., for property located in Tijuana, Mexico, filed in Spanish as Exhibit 10J to the Company's Form 10K No. 1-14041 for the year ended March 30, 2013 (Spanish to English translation filed herewith as Exhibit 10J to the Company's Form 10Q for the quarter ended June 29, 2013)
10N	Notice of Assignment to Lease dated February 21, 2000, made as of February 23, 2012 between BBVA Bancomer Servicios, S.A., as Trustee of the “Submetropoli de Tijuana” Trust and Pall Mexico Manufacturing, S. de R.L. de C.V., as successor in interest to Ensatec S.A. de C.V. for property located in Tijuana, Mexico inadvertently filed in Spanish as Exhibit 10N to the Company's Form 10K No. 1-14041 for the year ended March 30, 2013 (Spanish to English translation filed herewith as Exhibit 10N to the Company's Form 10-Q No 1-14041 for the quarter ended June 29, 2013).
101*	The following materials from Haemonetics Corporation on Form 10-Q for the quarter ended June 29, 2013, formatted in Extensible Business Reporting Language (XBRL); (i) Consolidated Statements of Income and Comprehensive Income, (ii) Consolidated Balance Sheets, (iii) Consolidated Statements of Cash Flows, and (iv) Notes to Consolidated Financial Statements.

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* In accordance with Rule 406T of Regulation S-T, the XBRL-related information in Exhibit 101 to this Form 10-Q is deemed not filed or part of a registration statement or prospectus for purposes of sections 11 or 12 of the Securities Act, is deemed not filed for the purposes of section 18 of the Exchange Act, and otherwise is not subject to liability under these sections.

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
August 2, 2013	By:	/s/ Brian Concannon
		Brian Concannon, President and Chief Executive Officer (Principal Executive Officer)
August 2, 2013	By:	/s/ Christopher Lindop
		Christopher Lindop, Chief Financial Officer and Executive Vice President Business Development (Principal Financial Officer)

LEASE AGREEMENT

LEASE AGREEMENT ENTERED INTO BY ONE PARTY BANCO BILBAO VIZCAYA-MEXICO, SOCIEDAD ANONIMA, INSTITUCION DE BANCA MULTIPLE, GRUPO FINANCIERO BBV-PROBURSA, FIDUCIARY DIVISION, IN CAPACITY AS TRUST FIDUCIARY NAMED SUBMETROPOLI DE TIJUANA, REPRESENTED BY AURELIO SERGIO TORRES RODRIGUEZ AND BERTHA LETICIA DEL RIO MARTINEZ (**HEREINAFTER "LESSOR"**), APPEARING WITH EL FLORIDO CALIFORNIA, S.A. DE C.V., REPRESENTED HEREIN BY GEORGINA SERRANO DE ROMERO AND JOSE LUIS NORIEGA BALCARCEL IN CAPACITY AS ADMINISTRATORS OF THE TRUST SUBMETROPOLI DE TIJUANA (**HEREINAFTER "EL FLORIDO"**) AND THE OTHER PARTY ENSATEC, S.A. DE C.V., REPRESENTED HEREIN BY MR. JOSE DE JESUS CALLEROS (**HEREINAFTER "LESSEE"**), IN ACCORDANCE WITH THE FOLLOWING DECLARATIONS AND CLAUSES:

DECLARATIONS

I.- THE LESSOR declares:

a) That a trust management and transfer of owner was established on December 5, 1974, in regards to land with an area of 2,292.835 hectares, that consequently was formalized on September 18, 1975, in the presence of Notary Public Number 31 of the Distrito Federal, as shown with the public deed number 112,091, dated September 18, 1975, which was duly recorded in the Public Registry of Property and Commerce of the City of Tijuana, Baja California, under number 39,965, page 242, volume 123, first section. For ease of reference this will be referred to as **"Submetropoli de Tijuana Trust."**

b) That the trustees of the Submetropoli de Tijuana Trust agreed to surrender their interest regarding said trust on behalf of El Florido, as shown in public deed number 82,550, dated November 28, 1985, granted in the presence of Notary Public number 54 of the Distrito Federal, which was duly recorded in the Public Registry of Property and Commerce of the City of Tijuana, Baja California, under number 17,810, volume 32, Second Auxiliary Section of Commerce.

c) That on June 17, 1997, El Florido replaced National Financiera, S.A. as Fiduciary of the Submetropoli de Tijuana Trust for Banco Bilbao Vizcaya-Mexico, Sociedad Anonima, Institución de Banca Multiple, Grupo Financiero BBV -Probursa, Fiduciary Division, as shown in public deed number 3,705 dated June 17, 1997, granted in the presence of Notary Public

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Number 7 of Tijuana, Baja California, which was duly recorded in the Public Registry of Property and Commerce of the City of Tijuana, Baja California, under number 5110624, Civil Section.

d) That within the buildings that form a part of the Submetropoli de Tijuana Trust is Lot 2A with official domicile located in Calle Colinas 11730 of the El Florida Industrial Park subdivision, Colinas Section, Delegación La Presa, with cadastral key FD930002, the same being 11,760.46 square meters that is

equivalent to 126,598.58 square feet (including a flat area of 10,791.55 square meters), on which the Lessor will build a 51,505.74 square foot industrial warehouse (hereinafter **“Construction Site”**).

e) That it is entering into this agreement in accordance with the instructions received by El Florido and that its legal representatives have the capacity to enter into this Contract as shown with the power-of-attorney that is attached hereto as **Attachment “A”**.

f) That the premises leased, as defined in this contract, have the public services infrastructure necessary, including electricity, water, drainage, and telephone lines, and can be used to establish light-duty industry, as demonstrated with the technical opinion of land use issued by the General Directorate of Urban and Ecological Development of the Municipality of Tijuana, also attached as **Attachment “B”**.

II. EL FLORIDO CALIFORNIA, S.A.de C.V. declares:

a) That it is a commercial corporation formed in accordance with the General Law of Commercial Corporations with public deed number 82,542, dated November 27, 1985, granted before Notary Public number 54 of the Ciudad de Mexico, Distrito Federal, November 27, 1985, and recorded in the Public Registry of Property and Commerce of the City of Tijuana Baja California, under number 17,323, volume 31, Second Auxiliary Commerce Section.

b) That it is duly represented in this action by Dr. Georgina Serrano de Romero y Mr. José Luis Noriega Balcárcel who have sufficient powers to instruct the Lessor on entering into this contract and who appear to verify the instructions of El Florido to the Lessor for the holding of this contract, as is clear from the documents that are part of **Attachment “A”**.

III. THE LESSEE declares:

a) That it is a commercial corporation formed in accordance with the General Law of Commercial Corporations, with public deed number 23,316, dated October 2, 1985, granted before Notary Public number 6 of the City of

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Tijuana, Baja California, which was duly recorded in the Public Registry of Property and Commerce of the City of Tijuana, Baja California, under number 17662, volume 32, Second Auxiliary Commerce Section, as is shown in the document attached hereto as **Attachment “C”**.

b) That it is duly represented in this action by Mr. José de Jesús Calleros, who has sufficient powers to enter into this contract as is clear from the document attached as **Attachment “C”**.

c) That it wishes to lease from the Lessor the Lease Property, as hereinafter defined.

Having declared the above, the parties agree to the following:

C L A U S E S

FIRST. LEASE AND DELIVERY:

The Lessor grants the lease to the Lessee and the Lessee takes possession of the Lease Property from the Lessor as defined below.

SECOND. CONSTRUCTION OF THE BUILDING:

The Lessor, at his own cost, will construct an industrial building and certain improvements to the same on the Construction Site (hereinafter the **"Building"**) in accordance with the plans, specifications and work schedule that will be approved by the parties after the signing of this contract and will be attached to the same as **Attachment "D"**. The preliminary plans of the Building and the general specifications for the buildings of the Lessor will be attached as **Attachment "D"** and will be used as a guide in the preparation of such plans, specifications and work schedule. For ease of reference on the following pages, the Building Site and the Building will be called jointly **"Lease Property"**.

THIRD. DELIVERY AND ACCEPTANCE OF THE BUILDING:

3.1. The Lessor agrees that the construction of the Building must be finished on or before July 31, 2000. Once finished, the Lessor shall notify the Lessee that the construction of the Building has finished with the purpose of the Lessee inspecting the Building and determine if it complies with the requirements established in **Attachment "D"**.

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3.2. The Lessee inspection must be done within four (4) working days following written notification from the Lessor. If the Lessee determines that the Lease Property complies with the requirements established in **Attachment "D"**, the Lessee shall, within these four (4) days, issue a certificate of acceptance of the terms established in **Attachment "E"** (hereinafter **"Certificate of Acceptance"**).

3.3. If the Lessee deems that the Building does not comply with that established in **Attachment "D"**, the Lessee shall, within the established four (4) days, submit to the Lessor a list of pending issues for the Lessor to review and correct. Once said notification is received, the Lessor shall promptly perform the necessary corrections to the Building duly notifying the Lessee once the corrections have been completed. The Lessee will then have four (4) working days to perform another inspection of the Building and, within these four (4) working days, notify the Lessor of any other additional correction, or issue the Certificate of Acceptance.

3.4. The Lessee agrees that, if a response in relation to the inspection of the Building is not issued within the four (4) working days established in the preceding paragraphs, the Building will be considered acceptable by the Lessee at the date of the end of the four (4) working days, and a Certificate of Acceptance will not be required. The Lessee agrees not to withhold the Certificate of Acceptance in the assumption that the list of pending issues refers to minor cosmetic details that do not represent more than one percent (1%) of the construction specifications established in **Attachment "D"**, with the understanding that the Lessor promised to correct said work to the satisfaction of the Lessee.

3.5. If a dispute arises between the Lessor and the Lessee regarding the Building construction that cannot be resolved, the Lessor and the Lessee agree to designate jointly a third party engineer to review the point in controversy and issue an opinion to the parties that will be binding for them. If it is necessary that the Lessor make corrections, the Lessor shall perform them to deliver the Building in accordance with that established in **Attachment "D"**; however, if the Building is found to be in compliance with the provisions in **Attachment "D"**, the third party engineer will have the power to issue the Certificate of Acceptance and the Building will be considered accepted for all purposes by the Lessor at the end

of the four (4) working days from the date in which the Lessee notified the Lessor of the completion of the Building or of any corrections, whatever the case.

FOURTH. IMPROVEMENTS BY THE LESSEE:

[signature:][illegible][signature:][illegible] [signature:][illegible] [signature:][illegible]

.1. The Lessee, at his own cost, will be able to install or construct additional improvements (hereinafter **"Lessee Improvements"**) and the Lessee will be able to modify these improvements, provided they do not damage the structure of the Lease Property and prior written authorization is obtained from the Lessor for the construction, which will not be denied or withheld without just cause.

4.2. Regarding the construction of any Lessee Improvements, the Lessee agrees to indemnify and hold harmless the Lessor regarding any suit or claim by any third parties, including suppliers, contractors and government authorities, such as the Mexican Social Security Institute, National Housing Fund, Secretariat of Finance and Public Credit, and Secretariat of Finance, and in regards to any civil liability as a result of non-compliance by the Lessee of any obligations arising from construction of any Lessee Improvements.

FIFTH. USE OF LEASE PROPERTY:

The Lessee is obligated to use the Lease Property exclusively to perform light-duty industrial activities, consistent with general office, warehouse, manufacturing, storage, services, repairs, engineering, sales, product demonstration, training of employees and customers, auxiliary warehouse, parking of vehicles, and any other use related to the manufacture, warehousing and office services, and for no other use without written authorization from the Lessor. During the Term of the Lease, as defined below, the Lessor will not make or permit any other person to perform any act on the Lease Property that is against any law, statute, ordinance, restriction or regulation.

SIXTH. TERM OF LEASE, PERMITS, AUTHORIZATION AND LICENSES:

6.1. The initial term of this lease will be ten (10) years (hereinafter **"Term of Lease"**). The Term of Lease will begin from the issuance of the Certificate of Acceptance (hereinafter **"Lease Start Date"**).

6.2 The Lessee will have the right to renew the Term of Lease for two consecutive terms of 5 years each. The Lessee shall exercise the right to extend the Term of Lease by means of written notification delivered to the Lessor at the address indicated in this contract

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at least six (6) months before the end of the Term of Lease, or from the end of the first renewal of five (5) years. The right to extend is conditional upon the Lessee being in compliance with this contract.

SEVENTH. RENT:

7.1. From the Lease Start Date, the Lessee is obligated to pay the Lessor as monthly rent the sum of $0.35 dollars (thirty-five cents, Legal Currency of the United States of America) per square foot per month, equivalent to the amount of $ 18,027.00 Dollars, (Eighteen thousand twenty seven 00/100 Legal Currency of the United States of America). The monthly rent is subject to increases each anniversary of the Lease Start Date at the rate of 3%.

7.2. The aforementioned monthly payments on the Lease Property will be made in legal currency of the United States of America. Each rent payment will be made in advance during the first five (5) working days of each month. If the rent cannot be paid in United States of America Dollars, the Lessee agrees to pay the rent in national currency pesos, in a sufficient amount of pesos to acquire United States of America dollars at the change rate in effect in Tijuana, Baja California on the date in which the rent is due. The exchange rate will be that offered for the sale of United States of America dollars by any of the following banks: Banco Nacional de Mexico, S.A., Institución de Banca Múltiple member of Grupo Financiero Banamex Accival; Bancomer, S.A., Institución de Banca Múltiple, Grupo Financiero y Banco Bilbao Vizcaya - Mexico, S.A., Institución de Banca Múltiple Grupo Financiero BBV - Probursa.

7.3. The Lessee will pay the Value Added Tax that corresponds to the monthly rent payment in legal currency of the United States of America or in an equivalent amount in Pesos as established in the above paragraph, and the Lessor shall issue the corresponding receipt.

7.4. If the Lessee does not make the rent payment within the period of five working days indicated in paragraph 7.2., the Lessee shall pay the Lessor a default annual interest of twenty-five percent (25%) on the total debt amount of rent until the date on which payment is made.

7.5. If the start day of the lease is a different day that the first day of the month, the amount of the first monthly payment will be prorated based on the time during which the Lease Property was occupied by the Lessee, and the amount of the last payment of rent shall be prorated

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based on the time during which the Lease Property was occupied by the Lessee until the Term of Lease is up.

7.6 On the date of signing this contract the Lessee has paid the Lessor a month's rent that shall be applied to the rent for the first month of the Term of Lease.

EIGHTH. SERVICES, SERVICE FEES AND TAXES:

8.1. The Lease Property will have the infrastructure necessary for the supply of public services, including water, electrical power and telephone. The Lessor shall provide all of the documentation necessary for the Lessee to contract said services. The Lessee shall contract and pay all public services on the Lease Property. Regarding electrical power, the Lessee recognizes that the Lessor has paid fees to the Federal Electricity Commission ("CFE") for KVA power available inside the Industrial Park El Florido, Seccion Colinas, where the Leased Property is located. If the Lessee needs KVA of energy, the Lessor shall provide part of the KVA designated to the Lessor by the Federal Electricity Commission at the Lessee's cost in United States of America Dollars up to 500 KVA. Other connection and deposit fees shall be paid directly to the Federal Electricity Commission by the Lessee.

8.2. From the Lease Start Date and during the Term of Lease, the Lessee shall pay the fees and charges for the public services, including electricity, gas, telephone, water, and drainage. The Lessee shall also pay (through refunds), the Property Taxes. In the first two (2) months of each year, the Lessor shall deliver to the Lessee a copy of the payment receipts of the corresponding Property Taxes and receipts for the corresponding amount, including the Value Added Tax, so it may be refunded to the Lessor.

NINTH. TRANSFER OF RIGHTS AND SUBLETTING:

9.1. The Lessee shall not sublet the Lease Property nor transfer rights and obligations originating from this contract, unless obtaining prior written consent from the Lessor, which cannot be denied without just cause. The transfer of rights and obligations or the subletting does not free the Lessee or Guarantor, as defined below, from the obligations derived from this contract, and the Lessee and Guarantor will remain obligated before the Lessor severally with respect to compliance with said obligations.

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9.2. The Lessor shall have the right to transfer or assign, from time to time, all or any of the rights and obligation of the Lessor described in this contract or any interest that he may have in the same, without the consent of the Lessee, on the condition that said transfer does not diminish any of the rights of the Lessee and provided the Lessor remains responsible for all its obligations under this lease agreement. If said transfer occurs, the Lessee will not be able to reduce or withhold any rent payment stipulated under this contract mounting against the assignee any defense, retentions of rent, or counterclaim the Lessee may have against the Lessor or any affiliates. The Lessee specifically waives the payment of rent or any preventative measure to ensure payment of a complaint pursuant to the Code of Civil Procedures.

TENTH. SUBORDINATION

During the Term of Lease, the Lessor shall have the right to encumber his interest in the Lease Property in this contract for any purpose that he deems appropriate, and the Lessee shall and be hereby effectively subordinate its interest in this contract and in the Lease Property to the lien; however, if said lien is executable legally, the lien holder shall agree to respect the contract and accept the execution by the Lessee of its obligations under this contract. The Lessee will enter into any contract that may be required by the Lessor in confirmation of such subordination and shall provide without limitation, any type of financial information,

records, and certifications that may be required for any financial institution, banks, fiduciary, or insurance, o any other recognized loan granting institution.

ELEVENTH. MAINTENANCE AND REPAIRS:

11.1. The Lessor guarantees that the Lease Property is free from any construction defect. The Lessor shall during the term of the Lease provide maintenance and repair on its behalf and the ceiling (roof), the structural integrity of the roof, columns, slab, exterior walls and cement, with the understanding that, if the damages to the structure or any other element of the Lease Property are caused as a result of negligence on part of the Lessee, including but not limited to the representative, agents, guests, contractors and/or suppliers of Lessee, the Lessee will be responsible for the repair of any Lease Property structure.

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11.2. The Lessee during the Term of Lease is obligated to provide maintenance and repair to the Lease Property, including floors, windows, glass, doors, loading and unloading ramps, internal and external wall paint, normal plumbing, green areas, air conditioning and ventilation system, lighting, electrical installations and in general all not considered a structural repair pursuant to the previous paragraph. All repairs completed by the Lessee must be equal in quantity and quality to the original. The Lessee will keep all parts of the Lease Property clean and orderly and the Lessor will transfer all guarantees on the Lease Property to the Lessee, as appropriate.

11.3. In the event the Lessee does not comply with Lease Property maintenance and repair obligations, the Lessor shall perform the maintenance and repair as needed and, in this case, the Lessee shall reimburse the Lessor within a period of fifteen (15) calendar days following the delivery of the invoice to the Lessee of those expenses that the Lessor incurred in completing said repairs or maintenance. If the Lessee does not pay the maintenance or repair invoice that the Lessor paid, the Lessee shall pay default interest at the rate specified in clause 7.4. of this contract on the total amount paid by the Lessor.

11.4. The Lessor is responsible at all times for defects and hidden defects in the roof, columns, floors, exterior walls, containment walls, drainage lines and the remaining infrastructure of the Lease Property.

TWELTH. INSURANCE:

12.1. During the Lease Term, the Lessee promises to obtain and maintain current the following policies.

(a) coverage against third party personal injuries, death, or personal property that may occur in or on the immediate Lease Property. Said insurance shall cover an amount not less than $1,000,000.00 dollars (One million 00/100 dollars, legal currency of the United States of America), policy that must cover personal injury and property damage.

(b) coverage against loss or damage caused by fire, lightning, airplanes that crash, smoke, storm, earthquake, hail, vehicle damage, volcanic eruption, strike, civil disturbance, vandalism, riots, intentional damage, flood, and any other disaster generally covered by extended coverage insurance, in an amount that covers the cost of total reconstruction of the

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Lease Property, including buildings and improvements (excluding any Lessee Improvements), foundations and excavations of the Lease Property. This insurance will cover damages worth at least $1,200,000.00 dollars (One Million Two hundred Thousand 00/100 dollars in legal currency of the United States of America).

(c) against income interruption in rent payment on behalf of the Lessor resulting from any disaster for a period up to a year.

12.2. All policies, which shall be obtained in the terms of the previous paragraph, and any other policy that is required pursuant to this contract, shall designate the Lessor as an additional beneficiary and establish that there will be no cancelation unless the Lessor is notified thirty (30) days in advance. The Lessee shall provide the Lessor certification that proves compliance of having obtained the insurance policies pursuant to this clause.

12.3. The Lessee is obligated to obtain the insurance indicated in the previous paragraphs from a qualified insurance company, financially solvent and duly authorized to provide insurance coverage in the Republic of Mexico, approved by the Lessor in a reasonable manner. If the Lessee does not procure and maintain insurance coverage in accordance with the previous paragraphs, the Lessor shall provide written notification to the Lessee of said failure to maintain insurance coverage, and if the Lessee does not show there is coverage within five (5) working days following the notification, the Lessor shall obtain the policies and the Lessee shall reimburse the Lessor for the additional expenditures within thirty (30) days following the requirement on behalf of the Lessor. If it is not done, the Lessee will pay default interest to the Lessor at the rate stipulated in clause 7.4 above.

12.4 In case of loss under any of the policies considered in this contract, the indemnity paid by the insurance company shall be exclusively for the benefit of the Lessor. In addition, in all insurance policies it shall be established that no modification or cancellation of the policies shall occur without previous written notification submitted to the Lessor at the address stipulated in this contract, provided the modification to the insurance policies does not make them void.

THIRTEENTH. LOSS AND DESTRUCTION.

A.- Total. If all or a considerable part of the Lease Property is damaged or destroyed by fire, act of nature or any other reason that makes it impossible for the Lessee to continue operating his business, the Lessor,

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within a maximum period of two weeks from the destruction, shall determine if the Lease Property can be restored within a period of six (6) months and will notify the Lessee of said determination. If the Lessor determines that the Lease Property cannot be restored within the six month time period, both the Lessor and the Lessee will have the right and the option to terminate this lease agreement, notifying in writing the other party. If the Lessor determines that the Lease Property can be restored within the six

(6) months, the Lessor, at his own cost, and to the extent of funds granted to the Lessor for insurance, shall proceed diligently to reconstruct the Building and, in such a case, the Lessor shall accept in exchange for rent during the period in which the Lessee has been substantially deprived of the use of the Property, the amount of insurance that is payable under the income interruption insurance provisions of clause 12.1. (c) of this contract.

B. Partial. If partial damage is caused to the Lease Property, the Lessor and the Lessee shall repair said damages, each party restoring the portion of the improvements that correspond to each under this Contract; with the understanding that, during the time required for the repairs of the Lessor Improvements, the rent payable by virtue of this contract by the Lessee will be equitably prorated according to the incidence of use and possession on behalf of the Lessee of the Lease Property, which has been done on account of said damages and repairs. The balance to complete the normal rent payable will be covered by the income interruption insurance established in Clause 12.1. (c) of this contract.

FOURTEENTH. ENVIRONMENT.

14.1. The Lessor guarantees to the Lessee that the Lease Property, presently and up to the delivery and acceptance by the Lessee is free of any environmental liability and it does not have any ground or groundwater pollutants, or any other type of contamination that may be considered a violation of the General Law of Ecological Balance and Environmental Protection and its applicable regulations.

14.2. The Lessee agrees to indemnify the Lessor against any environmental liability that may arise by any act or omission on the part of the Lessee, his employees, representatives, agents, guests, contractors and/or suppliers, which are listed without limitation, but not comprehensively, during the Lease Term or any renewal.

FIFTEENTH. DELIVERY:

15.1. The Lessee shall return possession of the Lease Property to the Lessor the last day of the effective date of this contract without delay and in

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proper conditions for its immediate use without major faults than produced through normal usage and passage of time. During the month prior to the End of the Lease an inspection of the Lease Property will be conducted jointly with the purpose of determining the condition and state of the Lease Property.

15.2. All signs, inscriptions, marquees, and analogous objects that may have been installed by the Lessee shall be removed at the latest on the day that the Term of Lease ends. The furniture and equipment installed by the Lessee will continue being property of the Lessee and shall be removed by the Lessee prior to the last day of the lease. The Lessee at his own expense shall repair any damage that may have been produced by the installation or removal of the Lessee Improvements in order to return the Lease Property to its original condition, considering normal usage faults of the same.

15.3. If the Lessee stays in possession of the Lease Property after the end of the Term of Lease, the Lessor shall have the right to receive rent from the Lessee for the amount equivalent to one and a half times the monthly rent in effect during the last month of the prorated lease for each day that elapses without the Lessor receiving possession of the Lease Property from the Lessee. The rent will be determined

daily in accordance with the number of days elapsed without the Lessor receiving possession of the Lease Property from the Lessee.

SIXTEENTH. RETENTION:

The Lessee in this action agrees not to retain or offset rental payments and, therefore, will submit under the terms agreed to in this contract, all the rental payments to which the Lessor is entitled, or any other amount owed by the Lessee in the manner and time established in this contract.

SEVENTEENTH. ENTRY TO THE LEASE PROPERY BY THE LESSOR:

17.1. The Lessee shall permit the Lessor, or any of his authorized representatives, entry to the Lease Property at any reasonable hour, with 24 hours prior notification, with the purpose of inspecting and making repairs that may be necessary for the Lease Property or that are the responsibility of the Lessor per the contract.

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17.2. If the Lessee decides not to renew this lease, the Lessor has the right to enter the Lease Property during the last six (6) months of the applicable lease term, on work days and hours with the intent of showing the Lease Property to potential Lessees, by notice given at least 48 hours in advance to the Lessee, and without causing inconvenience for Lessee.

EIGHTEENTH. PARK REGULATION AND ASSOCIATION:

18.1. The Lessee agrees to follow all the terms and conditions contained in the Regulation for Use, Construction, and Maintenance of the Properties Located in the Industrial Park El Florido, of which a copy is attached as **Attachment "G"**.

18.2. The Lessee shall have to pay the Lessor upon entering into this contract and on each anniversary of the same an annual maintenance fee that is at present $0.45 (forty-five cents) dollars per square meter. If said fee is not paid during the first five (5) days of each anniversary of this contract, it will become delinquent and the Lessee will be penalized a charge of twenty-five percent (25%) until the payment is made. Once the Association of the Industrial Park El Florido is formed, Colinas Section, the maintenance fees shall be paid directly to the Association of the park in accordance with that approved by said Association.

NINETEENTH. DEPOSIT:

On the date of signing this contract, the Lessee delivered to the Lessor a deposit in the amount equivalent to two (2) months' rent; the same will be used as a guarantee to cover any damage from use of the Lease Property during the Term of the Lease and/or any amount originating from the use of public services. In case there are no damages or no debts to anyone in relation to these issues, the deposit will be refunded to the Lessee by the Lessor upon delivery of the Lease Property by the Lessee. The Lessee understands this deposit will not earn interest.

TWENTIETH. GUARANTEE.

At the same time as entering into this contract, the Lessee shall obtain and submit to the full satisfaction of the Lessor an Absolute Lease Guarantee granted by Pall Corporation in regards to compliance of the obligations of the

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Lessee under this contract and conforming to the terms and conditions established in the form of **Attachment "F"**.

TWENTY-FIRST. REASONS FOR TERMINATION:

21.1. The Lessor has the right to terminate this contract by written notification submitted to the Lessee delivered to the Lease Property in the following cases:

a) failure to pay rent by the Lessee two or more consecutive months or failure to pay default interest caused by delay in paying said rent;

b) failure to perform the repairs hereunder or maintenance to the Lease Property by the Lessee;

c) failure of the Lessee to obtain insurance policies provided for in this contract;

d) failure of the Lessee to give guarantees provided for in clause twenty of this contract;

e) allocation by the Lessee of the Lease Property, total or partial, for use different than that authorized in this contract, or violation of environmental provisions;

f) transfer of this contract or subletting of the Lease Property without having prior written authorization from the Lessor;

g) abandonment of or eviction from the Lease Property. For purposes of this contract, the Lessor will consider the Lease Property abandoned when the Lessee stops performing operations, terminates all employees and stops paying rent for two or more months;

h) the presentation of a voluntary petition for bankruptcy by the Lessee or registry of an involuntary petition made by creditors of the Lessee, and that said petition remains without remedy for a period of ninety (90) natural days;

i) failure by the Lessee to comply with each and every one of the applicable laws and regulations of any Mexican government environmental agency, as determined by relevant environmental authorities in relation to the development of activities in the use or operation of any equipment by the Lessee that may be

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considered as pollutant by said agencies, and non-compliance with respect to any recommendations made by those authorities;

21.2. In addition to the above, each one of the following offenses committed by the Guarantor will be considered non-compliance by the Lessee;

a) general transfer by the Guarantor for the benefit of creditors;

b) the presentation of a voluntary petition for bankruptcy by the Guarantor or registry of an involuntary petition made by creditors of the Guarantor, and that said petition remains without remedy for a period of ninety (90) days;

c) the designation of a receiver that takes substantial possession of the assets of the Guarantor, and that said designation remains without remedy for a period of ninety (90) natural days;

d) the embargo, attachment, or other legal confiscation of substantially all assets of the Guarantor, when said embargo, attachment or other confiscation remains without remedy for a period of ninety (90) days after application of the same.

TWENTY-SECOND. NOTIFICATIONS:

22.1. The Lessor and the Lessee agree that the elected addresses to fulfill all the obligations under this contract including the location in case of trial will be for the Lessor, Paseo de los Héroes 9188, quinto piso, Zona Río, Tijuana, B.C. México (unless otherwise indicated in writing by the Lessor) and for the Lessee, Blvd. Agua Caliente 10440 Centro Comercial Barranquitas, Local 1 y 2, Colonia Revolucion, Tijuana, B.C. Codigo Postal 22400.

22.2. Such notification must be in writing and shall be delivered personally to the legal representative of the party to be notified, or issued by certified mail, return receipt requested, to the addresses mentioned in the preceding paragraph.

TWENTY-THIRD. ENTIRETY OF THE AGREEMENT.

23.1. This lease and its attachments contain all the agreements and conditions that bind the parties; consequently, the parties recognize that upon signing this lease it is the sole valid document and all prior agreements or previous documents will be considered null and legally invalid.

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23.2. If any term, agreement, condition or clause of this lease or its application toward any person or circumstance is held invalid, void or unenforceable by a court of competent jurisdiction, the remaining

clauses, agreements and conditions shall remain in force. All attachments that are referred to in this lease are considered integral to the same for all legal purposes.

TWENTY-FOURTH. MODIFICATIONS:

This lease may not be modified orally or by any other means that is not by written agreement duly signed by the representatives of the parties.

TWENTY-FIFTH. ATTACHMENTS:

The documents added to this lease as attachments are an integral part of the same that are held to be incorporated by reference, and therefore any interpretation of the contract will be made jointly with the contents of the attachments.

TWENTY-SIXTH. VARIOUS PROVISIONS:

26.1. In the event that any party exercises any action against the other to protect certain rights under this contract, such failure will not be construed as a waiver of any right originating from this same contract.

26.2. This contract may only be modified by signed written agreement by the authorized representatives of the parties provided the date is set as to when the modification is to take effect.

26.3. In the event any party exercises an action against the other to enforce compliance hereunder, the party obtaining favorable resolution shall be entitled to expenses of reasonable fees, including attorney's fees.

26.4. The parties agree that this contract shall be governed by the laws of the State of Baja California and to all matters relating to the interpretation and enforcement of this contract, the parties submit to the jurisdiction of the courts of the city of Tijuana, Baja California, Mexico, renouncing any other jurisdiction that they may be entitled to due to current or future residence, or for any other reason.

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26.5. This contract is entered into in two versions, one in English and the other in Spanish. The parties agree that for purposes of interpretation or in case of any dispute, the Spanish version will prevail.

IN WITNESS WHEREOF, the parties execute this contract in the City of Tijuana, Baja California, Mexico, February, 21, 2000.

“LESSOR”

BANCO BILBAO VIZCAYA-MEXICO, SOCIEDAD ANONIMA, INSTITUCION DE BANCA MULTIPLE, GRUPO FINANCIERO BBV-PROBURSA, IN CAPACITY OF FIDUCIARY OF THE SUBMETROPOLI DE TIJUANA TRUST, by;

SERGIO TORRES RODRIGUEZ BERTHA LETICIA DEL RIO MARTINEZ

[signature:][illegible] [signature:][illegible]

EL FLORIDO CALIFORNIA, S.A. DE C.V. IN CAPACITY OF TRUSTEE OF THE SUBMETROPOLI DE TIJUANA TRUST, by;

GEORGINA SERRANO DE ROMERO JOSE LUIS NORIEGA BALCARCEL
[signature:][illegible] [signature:][illegible]

"LESSEE"
ENSATEC, S.A. DE C.V. by;

MR. JOSE DE JESUS CALLEROS
[signature:][illegible]

WITNESSES

Name: Name:

F:

Florido
Medical
.doc

FINAL VERSION

Tijuana, B.C., February 23, 2012
[see source for watermark in English]

PROCADEF 1, S.A.P.I. DE C.V.
Paseos de los Héroes 9188
Piso 5
Zona Urbana Río Tijuana
Tijuana, Baja California, Mexico.

Re: Notice of assignment.

With regard to the Lease Contract entered into on February 21, 2000, between BBVA Bancomer Servicios, S.A., in its capacity as Trustee of the "Submetrópoli de Tijuana" Trust and Ensatec, S.A. de C.V., with respect to the industrial unit and ancillary improvements located at Calle Colinas 11730 del Fraccionamiento Parque Industrial El Florido, Sección Colinas, Delegación La Presa, Tijuana, Baja California, Mexico, and also with regard to the Agreement that we entered into with you with effective date as of August 14, 2011 (the "Agreement"), we hereby serve notice in relation to the following:

I. Pursuant to Clause Five of the Agreement, Ensatec, S.A. de C.V. assigned all of its rights to Pall Mexico Manufacturing, S. de R.L. de C.V., effective as of **February 23, 2012.**

II.

III. With regard to Clause Eight of the Agreement, Ensatec, S.A. de C.V. indicated as its domicile to hear and receive all types of notifications and notices, the address at: Blvd. Agua Caliente 10470, Desp.#1, Centro Comercial Barranquitas, Col. Revolución, Tijuana, B.C. Mexico 22015.

With nothing further at present, we thank you for your taking the time to read this notification and notice.

Regards,

Pall Mexico Manufacturing, S. de R.L. de C.V. Ensatec, S.A. de C.V.

[signature] [signature]
Mr. Leobardo Tenorio Malof Mr. Hector Machado Barraza, Engineer

[handwritten:] Received original, 02/23/2012
Mauricio Javier Villa Soaje
Paseo de los Heroes 9188 Piso 5
Zona Urbana, Rio Tijuana
Tijuana, B.O., Mexico
[signature]

EXHIBIT 31.1

CERTIFICATION

I, Brian Concannon, certify that:

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

August 2, 2013

/s/ Brian Concannon

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

EXHIBIT 31.2

CERTIFICATION

I, Christopher Lindop, certify that:

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

August 2, 2013

/s/ Christopher Lindop

Christopher Lindop, Chief Financial Officer and

Executive Vice President Business Development
(Principal Financial Officer)

EXHIBIT 32.1

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

In connection with the Quarterly Report of Haemonetics Corporation (the "Company") on Form 10-Q for the period ended June 29, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Brian Concannon, President and Chief Executive Officer of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 2, 2013

/s/ Brian Concannon

Brian Concannon,
President and Chief Executive Officer

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Haemonetics and will be retained by Haemonetics and furnished to the Securities and Exchange Commission or its staff upon request.

EXHIBIT 32.2

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

In connection with the Quarterly Report of Haemonetics Corporation (the "Company") on Form 10-Q for the period ended June 29, 2013 as filed with the Securities and Exchange Commission on the date hereof (the "Report"), I, Christopher Lindop, Chief Financial Officer and Executive Vice President Business Development of the Company, certify, pursuant to Section 1350 of Chapter 63 of Title 18, United States Code, that this Report fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934 and that the information contained in this Report fairly presents, in all material respects, the financial condition and results of operations of the Company.

August 2, 2013

/s/ Christopher Lindop

Christopher Lindop,

Chief Financial Officer and Executive Vice President
Business Development

A signed original of this written statement required by Section 906, or other document authenticating, acknowledging, or otherwise adopting the signature that appears in typed form within the electronic version of this written statement required by Section 906, has been provided to Haemonetics and will be retained by Haemonetics and furnished to the Securities and Exchange Commission or its staff upon request.